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# PRINCIPAL TAXES AND RATES:

FEDERAL, PROVINCIAL AND SELECTED MUNICIPAL GOVERNMENTS,

1969



DOMINION BUREAU OF STATISTICS



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Governments Division

## PRINCIPAL TAXES AND RATES

# FEDERAL, PROVINCIAL AND SELECTED MUNICIPAL GOVERNMENTS

1969

Published by Authority of The Minister of Industry, Trade and Commerce

January 1970 8502-504 Price: 75 cents

### PUBLICATIONS OF THE GOVERNMENTS DIVISION

		Periodicity	Price
Catalogue number		remodicity	11100
	Consolidated Government Statistics		
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A — Annua	l M-Monthly Q-Quarterly	O Occ	asional
	T-Trimestriel	HS - Hors	

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### TABLE OF CONTENTS

	Page
Introduction and General Commentary	5
PART 1. Income, Gift and Estate Taxes and Succession Duties	
Table Table	
1. Income, Gift and Estate Taxes levied by the Government of Canada	10
2. Income Tax and Succession Duties levied by Provinces	12
PART II. Customs Duties, Excise and General Sales Taxes	
3. Customs Duties, Excise and General Sales Taxes levied by the Government of Canada	19
4. General Sales Tax levied by the Government of Canada and the Provinces	20
PART III. Miscellaneous Provincial Taxes	
5. Miscellaneous Provincial Taxes:	
Amusement Tax	24
Fuel Tax	24
Motor vehicle licences and fees	26
Insurance Tax (fire, life, hospital)	26
Logging Tax	28
Mining Tax	28
Race Track Tax	30
Tobacco Tax	30
Miscellaneous Taxes (alcoholic beverages tax, land transfer tax, meals and lodging tax, medical care insurance, motor vehicle insurance tax, security transfer tax, telecommunications taxes, etc.)	32
PART IV. Real Property Taxes	
6. Real Property Taxation in Relation to Market Value by Province and Municipality	38



### INTRODUCTION

This publication is the eighteenth in the annual series "Principal Taxes and Rates". The purpose of the report is to present concise data on the more important revenue-producing taxes imposed in Canada.

The format of this edition has been designed with the view to facilitating comparisons of like taxes in different jurisdictions.

The publication is divided into four parts, as follows:

Part I: Taxes on the income of persons and corporations, estates and inheritances imposed by federal and provincial governments.

Part II: Excise taxes, excise and customs duties, and, general and retail sales taxes.

Part III: Other important taxes and rates levied by provincial and territorial governments.

Part IV: Real property taxation expressed as a percentage of market value for selected municipalities in Canada.

All quoted taxes and rates are those that were announced prior to July 31, 1969.

#### **GENERAL COMMENTARY**

Canada is a federal state with a central government and ten provincial governments. In 1867 the principal colonies of the British Crown in North America joined together to form the nucleus of a new nation, and the British North America Act of that year became its written constitution. This statute created a central government with certain powers while continuing the existence of political subdivisions called provinces with powers of their own.

Under the British North America Act the Parliament of Canada has the right to raise "money by any mode or system of taxation" while the provincial legislatures are restricted to "direct taxation within the province in order to the raising of a revenue for provincial purposes". Thus the provinces have a right to share only in the field of direct taxation while the federal government is not restricted in any way in matters of taxation. The British North America Act also empowered the provincial legislatures to make laws regarding "municipal institutions in the province". This means that municipalities derive their incorporation with its associated powers, fiscal and otherwise, from the provincial government concerned. Thus, municipalities are also limited to direct taxation.

A direct tax is generally recognized as one "which is demanded from the very person who it is intended or desired should pay it". This concept has limited the provincial governments to the imposition of income tax, retail sales tax, succession duties and an assortment of other direct levies. In turn, municipalities, acting under the guidance of provincial legislation, tax real estate, water consumption and places of business. The federal government levies direct taxes on income, on gifts, and on the estates of deceased persons and indirect taxes such as excise taxes, excise and customs duties, and a sales tax.

The increasing use by both the federal and the provincial governments of their rights in the field of direct taxation in the 1930's resulted in duplication of administration and in some severe tax levies. In 1941, a federal-provincial tax-sharing agreement was concluded to help finance the war effort. Its principal aim was to ensure an orderly imposition of direct taxes. The success

of this initiative was such that a similar scheme was worked out between the federal government and most of the provinces after the end of the war. Since then, tax-sharing agreements have been periodically negotiated between the two levels of government, normally for five-year periods. Under the earlier agreements the participating provinces undertook, in return for compensation, not to impose, or permit their municipalities to use, certain of the direct taxes. Under the present arrangements the federal income tax otherwise payable in all provinces and the estate tax otherwise payable in three provinces are abated by certain percentages to facilitate provincial levies.

The current arrangements became operative on April 1st, 1962 and were originally scheduled to terminate on March 31st, 1967; they have, however, been extended. They amount to a partial federal withdrawal from the field of direct taxation and a re-entry of all provinces into the vacated area. The federal personal income tax otherwise payable on income earned in a province and on income received by residents of all provinces (except Quebec) is reduced by:

16 p.c. for the 1962 taxation year

17 p.c. for the 1963 taxation year

18 p.c. for the 1964 taxation year

21 p.c. for the 1965 taxation year

24 p.c. for the 1966 taxation year

28 p.c. for the 1967 and subsequent taxation years.

The tax abatements in respect of income earned in Quebec or received by a resident of Quebec are 44 p.c. for the 1965 taxation year, 47 p.c. for the 1966 taxation year and 50 p.c. for the 1967 and subsequent taxation years.

The federal government also reduces its rate of corporation income tax on the taxable income of corporations earned in the provinces. The reduction was 9 p.c. of taxable income earned in any province except Quebec and 10 p.c. of taxable income earned in Quebec for the years 1962 to 1966 inclusive. The additional 1 p.c. reduction in respect of taxable income earned in the province of Quebec for these years was to compensate for the additional tax levied by the province during this

period on corporation income to provide grants to universities. These provincial grants replaced federal government grants which in other provinces were paid to the universities by the federal government through the Canadian Universities Foundation. For 1967, 1968 and 1969, with the termination of direct federal financial assistance to universities, the abatement of the federal rate of corporation income tax is 10 p.c. of taxable income in all provinces.

The federal government also abates the federal estate tax otherwise payable by 75 p.c. in respect of property situated in a province which levies its own death tax. Only Ontario, Quebec and British Columbia presently levy death taxes in the form of succession duties.

These reductions in federal income tax and estate tax do not apply to the Yukon or the Northwest Territories or to income earned outside Canada. The Yukon and Northwest Territories do not impose income or inheritance taxes.

The provincial tax rates are not restricted to the extent of the federal withdrawal. The constitutional position of the provinces permits them unlimited use of direct taxes for the raising of revenue for provincial purposes. In four provinces (Prince Edward Island, Nova Scotia, Ontario and British Columbia) the provincial rates of personal income tax are equal to the federal abatement; in five provinces (Newfoundland, New Brunswick, Manitoba, Saskatchewan and Alberta) the federal abatement is exceeded; and Quebec, which has no personal income tax collection agreement with the federal government, administers its own personal income tax under a rate schedule which is structured to give effect to the 50 p.c. federal abatement.

As part of the current fiscal arrangements the federal government has entered into tax collection agreements under which it collects the provincial personal income taxes for all provinces except Quebec, and the provincial corporation income taxes for all provinces except Ontario and Quebec.

#### NOTE

In the tables following, the statutory authority, under which taxes are levied at the federal and provincial levels of government, has been indicated. The proper name of the statute or revised statute is ended by a semi-colon. Following in order, are the year during which the statute or revised statute was published, its chapter, and a statement as to whether there have been subsequent amendments to it; i.e. Income Tax Act, 1961; 1961, c 8, and amendments.

<sup>&</sup>lt;sup>1</sup> The original agreement was for a 50 p.c. abatement. However, at the conclusion of a federal provincial conference in late 1963, it was increased to 75 p.c. in respect of deaths occurring after March 31, 1964. Currently only the estates of domiciliaries of British Columbia qualify for the full 75 p.c. abatement. Quebec and Ontario estates are temporarily eligible for only 50 p.c. because these two provinces have elected for the time being to take a payment from the federal government on account of the additional 25 p.c. abatement rather than to increase their succession duty rates.

# PART I

INCOME, GIFT AND ESTATE TAXES AND SUCCESSION DUTIES



#### INCOME TAX - FEDERAL

Under the Income Tax Act of Canada, income tax is levied on the taxable income of individuals and corporations resident in Canada and on the taxable income of non-residents employed or carrying on business in Canada at any time during the year. A withholding tax at the rate of 15 p.c. is levied on dividends, interest (other than interest on bonds of, or guaranteed by, a Canadian government and issued after April 15, 1966, interest on certain bonds issued before December 20, 1966, and interest paid to certain exempt lenders) and similar payments from persons in Canada to non-residents. This tax is 10 p.c. on dividends paid by companies which have a "degree of Canadian ownership". The Income Tax Act also imposes a tax on the taxable value of gifts made in the year. Canada has entered into income tax conventions with fifteen countries in order to avoid double taxation and to prevent fiscal evasion. In addition to the income tax, an old age security tax is levied on the taxable income of individuals and corporations.

Changes in income taxes and other taxes proposed on October 22, 1968, in the Budget Speech presented by the Minister of Finance have been enacted. These changes include the imposition of a social development tax of 2 p.c. on the taxable income of individuals with a maximum tax of \$120; modification of the estate tax rate schedule and exemptions under the Estate Tax Act; changes in the tax treatment of gifts made during a year; a reduction in the deduction for reserves of banks and mortgage loan companies; new taxes on the business and investment income of life insurance companies and a two-month speed-up of instalment payments of corporation income tax that requires corporations to start making their monthly instalment of tax for a taxation year in the first month, rather than in the third month of the taxation year. (For the transitional period, i.e., for their taxation year starting within the period December 1, 1968 to November 30, 1969, corporations are required to make ten monthly remittances each amounting to one tenth of their tax liability for the year.) The limits used in

calculating the amount which a bank or a mortgage loan company may deduct each year on account of amounts placed in a reserve against possible future losses will be reduced by one-half. There will be a ten-year transitional period in which to adjust reserves gradually to the new limits. With the exception of a few important special rules largely concerning the concept of a "Canadian investment fund" and policy reserves, the business income of life insurance companies will be taxed in the same way as the income of other corporations. However, the investment income of such corporations is to be taxed at a flat rate of 15 p.c. Where policies are cashed before death, the amount by which the proceeds from the policy exceeds its cost will be taxed as income in the hands of the former policyholder.

For the 1969 taxation year, under the terms of the current federal-provincial fiscal arrangements, the federal government reduces its "basic tax" for individuals who reside or earn income in a province other than Quebec by 28 p.c. This reduction is 50 p.c. for individuals who reside or earn income in Quebec. The higher federal abatement for individuals in Quebec is to permit that province to levy its own taxes (without additional burden upon the taxpayer) to raise revenues necessary to pay for the full cost of certain programs which are paid for in part by the federal government in other provinces. The federal government also reduces its corporation income tax otherwise payable by 10 p.c. of taxable income earned in a province.

In the Budget Speech of June 3, 1969, the Minister of Finance proposed two changes which affect the income taxes. He announced that the existing 3 p.c. surtax on personal and corporation income tax applicable for the 1968 and 1969 taxation years will be extended until December 31, 1970, and that capital cost allowances on new commercial buildings in metropolitan areas and major urban areas in the provinces of Ontario, Alberta, and British Columbia will be deferred for the calendar years of 1969 and 1970.

#### **NOTE**

For the definition of "basic tax" see Table 1 footnote 1 on page 11.

TABLE 1. Income, Gift and Estate Taxes levied by the Government of Canada

Category	Statutory authority	Basis of measurement of tax	Rate	Exemptions, deductions, tax credits, etc.
Income tax	Income Tax Act; (Part I), R.S. 1952, c 148, and amendments	Taxable income of individuals	Personal income tax schedule:  11% on first \$1,000 of taxable income \$ 110 on \$ 1,000 plus 14% on next \$ 1,000 250	Main exemptions and deductions from total income to arrive at "taxable income" are For single status
	Income Tax Act (Part IA) Income Tax Act (Part I)	"Basic" personal income tax in excess of \$200 Investment income from sources outside Canada	3% [applicable only in respect of 1968, 1969, and 1970 taxable income] 4% of ''basic'' personal income tax	Deductions from total investment income: \$2,400 or the total of personal exemptions whichever is greater plus allowable chartable donations and medical expenses.
	Income Tax Act (Part IB) Old Age Secu- rity Act; R.S. 1952, c 200, and amendments	Taxable income of individuals  Taxable income of individuals	2% of taxable income with maximum of \$120 4% of taxable income with maximum of \$240	Excludes rental income from real property.
	Income Tax Act (Parts I and II) and Old Age Se- curity Act	Taxable income of cor- porations resident in Canada or doing busi- ness in Canada	(a) 21% (including Old Age Security Tax of 3%) of the amount taxable, if the amount taxable does not exceed \$35,000 and (b) \$7,350 plus 50% of the amount by which the amount taxable exceeds \$35,000	Corporations are allowed a tax credit equal to 10% of their taxable earnings in any province. <sup>2</sup>
	Income Tax Act (Part 1A)	Corporation income tax ex- clusive of old age secu- rity tax but before federal abatement <sup>3</sup>	(applicable only in respect of 1968, 1969, and 1970 taxable income)	
Withholding tax	Income Tax Act (Part III)	On certain payments and credits to non-residents <sup>4</sup>	10% on dividends paid to non-residents by corporations "having a degree of Canadian ownership" (25% of voting equity stock) and on rentals of motion picture films and TV tapes; 15% on interest, dividends, management fees, rents, royalties, alimony, patronage dividends and in all other instances	Interest on bonds or obligations issued after April 15, 1966 by the Government of Canada or any of the provinces, by any agent of a province, educational institution
	Income Tax Act (Part III)	Profits of non-resident corporations carrying on business in Canada	15%	Deductions from taxable income earned in Canada: Federal and provincial income taxes. An allowance in respect of net increases in capital investment in property in Canada.
Gift tax	Income Tax Act (Part IV)	Cumulative total of taxable part of all gifts (i.e. the aggregate of the taxable values of all gifts made after October 22, 1968, up to the end of the year for which tax is being calculated)	The rates of tax range from 12% on a cumulative gift sum of \$15,000 or less, to 75% where the cumulative gift sum exceeds \$200,000. The tax so computed is reduced by the amount determined by applying the rates to the cumulative gift sum for the immediately preceding taxation year.	Exemptions: The first \$2,000 per annum given to each individual; a complete exemption for outright gifts and exclusive life interest to a spouse;

TABLE 1. Income, Gift and Estate Taxes levied by the Government of Canada - Concluded

Category	Statutory authority	Basis of measurement of tax	Rate	Exemptions, deductions, tax credits, etc.
tate tax	Estate Tax Act; (Part I) 1958, c 29, and amendments	Aggregate taxable value of estate of a person dying domiciled in Canada	Estate Tax Rate Schedule:  \$ 0 on 20,000 + 15% on next 20,000  3,000 " 40,000 + 18% " " 20,000  6,600 " 60,000 + 21% " " 20,000  10,800 " 80,000 + 24% " " 20,000  15,600 " 100,000 + 27% " " 30,000  23,700 " 130,000 + 30% " " 40,000  46,700 " 200,000 + 40% " " 50,000  66,700 " 250,000 + 45% " " 50,000  89,200 " 300,000 + 50% " excess	Estates whose aggregate net value do not exceed \$50,000 are not taxable. (This figure of \$50,000 is not a deductible exemption but simply an amount at or below which no tax is levied).  Main exemptions and deductions:  Bona fide debts, reasonable funeral expenses and probate fees, (but not including solicitor's charges or the expenses of administering property or executing any trust created by the deceased).  Gifts to approved charitable organizations in Canada.  Gifts to federal, provincial or municipal governments.  Outright gifts and exclusive life interests, including annuities and pensions passing to a spouse.  The exemption for bequests to adult children is the lesser of \$10,000 or the value of the bequest.  The exemption for bequests to children dependent because of age is the lesser of the value of the bequest or \$10,000 plus \$1,000 for each full year remaining until the child reaches age 26, to a maximum additional amount of \$25,000.  The exemption for a child dependent because of infirmity is \$10,000 plus \$1,000 times the number of years until he or she reaches 71.  A tax abatement of part of the federal estate tax otherwise payable in respect of property situated in a province which levies its own succession duties. See commentary.
	Estate Tax Act (Part II)  Aggregate taxable value of property situated in Canada of a person dying domiciled outside of Canada		Same Tax Rate Schedule as above	Main exemptions and deductions:  Debts specifically chargeable to the property.  A tax abatement of part of the federal tax otherwise payable in respect of property on which provincial succession duty has been paid. The Act provides that an estate of an aggregate value of less than \$5,000 be exempt and that the tax must not reduce the value of the property to less than \$5,000.5

"Basic tax" is personal income tax at full graduated rates after deduction of the dividend tax credit but before abatement for provincial income tax and cluding the old age security tax.

and the old age security tax.

2 See commentary on page 5, re Federal-Provincial Fiscal Arrangements.

3 See commentary on page 9 for further information.

4 See commentary on page 9, re income tax conventions with certain countries.

5 Under the terms of the Canada-United States Estate Tax Convention, the amount is \$15,000, retroactive to January 1, 1959.

### INCOME TAX - PROVINCIAL

In every province, a tax is levied on the income of ndividuals who reside or earn income within its boundaries. With the exception of Quebec, this tax is computed as a percentage of the federal "basic tax", and is collected by the federal government under agreement with the provinces. In the province of Quebec, provincial income tax is levied at graduated rates that progress from 5.5 p.c. on the first \$1,000 of taxable income to a maximum of 40.0 p.c. on the excess over \$400,000. Current Quebec legislation provided for a temporary surtax of 6 p.c. effective in 1968, 1969, and 1970. The determination of taxable income for Quebec tax purposes is based on exemptions and deductions which, with the exception of deductions for dependent children eligible for family allowances,<sup>2</sup> are similar to those used for federal tax purposes. Quebec taxpayers who, if single, have a net income which does not exceed \$2,000 or who, if married, have a net income which does not exceed \$4,000, are completely relieved of provincial tax. The province of Quebec collects its own tax.

1 For definition of "basic tax" see Table 1 footnote 1 on page 13.

The province of Quebec has a family allowance program which supplements the federal program. The Quebec program provides for allowances which increase from \$30 per annum for a first provided for allowances which increase from \$30 per annum for a first program of the child to a maximum of \$70 per annum for a sixth and for each additional child. The Quebec program is in lieu of exemptions for provincial income tax purposes for children eligible for family allowances.

Of the basic federal tax payable, provincial rates in 1969 are as follows: Manitoba, Saskatchewan, and as of July 1, 1969 in Alberta and Newfoundland, 33 p.c.; Quebec under its own rate schedule, at the equivalent of 50 p.c., plus a 6 p.c. surtax of the tax payable; New Brunswick as of April 1, 1969 38 p.c.; all other provinces 28 p.c.

All provinces levy a tax on corporation profits derived from activities carried on within their jurisdictions. In all provinces except Ontario and Quebec, the provincial corporation tax is imposed and determined on the same basis as is the relevant federal income tax. In Ontario and Quebec the determination of taxable profits for purposes of provincial tax follows closely, but not precisely, the federal rules.

The rate of tax in the provinces is as follows; Prince Edward Island, Nova Scotia, New Brunwwick and British Columbia-10 p.c.; Manitoba, Saskatchewan and Alberta-11 p.c.; Quebec and Ontario-12 p.c.; Newfoundland-13 p.c.

All provinces except Quebec and Ontario have signed agreements with the federal government for the collection of provincial corporate income taxes by the federal government.

TABLE 2. Income Tax and Succession Duties levied by Provinces

_				
No.	Category	Newfoundland	Prince Edward Island Nova Scotia	New Brunswick
1	Income tax — Individuals: Statutory authority	The Income Tax Act, 1961; (2nd session), No. 1, and amendments.	P.E.I - The Income Tax Act, 1961; (second session) c 1, and amendments. N.S Income Tax Act; 1962, c 8 and amendments.	Income Tax Act, 1961; 1961-62, c 2, and amendments.
2 3	Busis	Taxable income of individuals  33% of federal "basic tax" levied under the Income Tax Act (Canada).	Taxable income of individuals 28% of federal "basic tax" levied under the Income Tax Act (Canada).	Taxable income of individuals 38% of federal "basic tax" levied under the Income Tax Act (Canada).
4	Comments	Effective July 1, 1969, the rate increased to 33%.		Effective April 1, 1969, the rate increased to 38%.
5	Income tax — Corporations: Statutory authority	The Income Tax Act, 1961; (2nd session), no 1, and amendments,	P.E.I. — The Income Tax Act, 1961; (second session) c 1, and amendments. N.S. — Income Tax Act, 1962, c 8, and amendments.	Income Tax Act, 1961; 1961-62, c 2, and amendments.
6	Basis	Taxable income of corporations	Taxable income of corporations	Taxable income of corporations
7 8	Rate	13% Effective January 1, 1969, the rate increased to 13% from 12%.	10%	10%
9	Succession duties: Statutory authority			
9				
	Statutory authority			
10	Statutory authority  Basis			
10	Basis			
10	Statutory authority  Basis			
10	Basis			
10	Basis			
10	Basis			

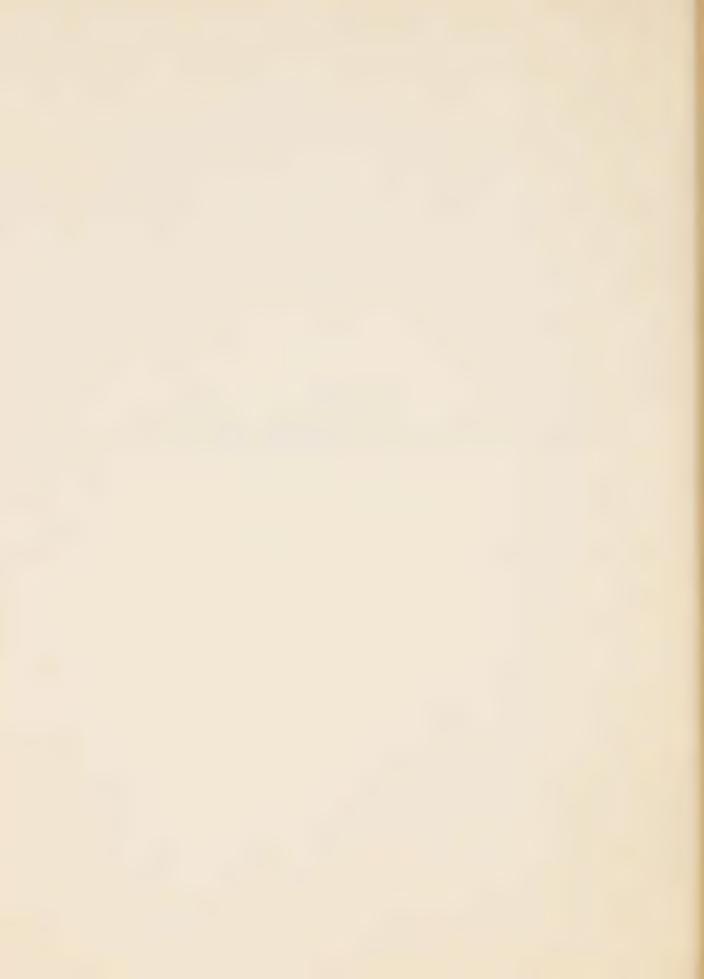
TABLE 2. Income Tax and Succession Duties levied by Provinces

TABLE 2. Income Tax and Succession Duties levied by Provinces								
Quebec	Ontario	Manitoba Saskatchewan Alberta	British Columbia					
Provincial Income Tax Act; R.S. 1964, c 69 and amendments.	The Income Tax Act; R.S.O. 1950, c 175 and amendments.	Man — The Income Tax Act (Manitoba), 1962; 1961, 2nd session, c 1, and amendments, Sask. — The Income Tax Act; R.S.S. 1965, c 62, and amendments. Alt, — The Alberta Income Tax Act; 1961 (2nd session), c 1, and amendments.	Income Tax Act, 1961; (2nd session), c 1, and amendments.	1				
Taxable income of individuals  3,5% on first \$1,000 of taxable income 5 55 on \$ 1,000 plus 7.0% on next \$ 1,000 125 '' 2,000 '' 8,5% '' '' 1,000 210 '' 3,000 '' 9,5% '' 1,000 305 '' 4,000 '' 11,00 '' '' 2,000 525 '' 6,000 '' 13 '' '' 2,000 1,085 '' 10,000 '' 17,5% '' 2,000 1,085 '' 10,000 '' 17,5% '' 2,000 1,435 '' 12,000 '' 20 '' 3,000 1,435 '' 12,000 '' 25 '' '' 10,000 4,285 '' 25,000 '' 25 '' '' 15,000 4,285 '' 25,000 '' 25 '' '' 30,000 13,535 '' 60,000 '' 30 '' '' 30,000 13,535 '' 60,000 '' 30 '' '' 30,000 22,535 '' 90,000 '' 32,5% ''' 15,000 33,910 '' 125,000 '' 35 '' '' 175,000 68,910 '' 225,000 '' 37,5% ''' 175,000 134,535 '' 40,000 '' 37,5% ''' 175,000 134,535 '' 400,000 '' 30 '' '' '' 175,000 134,535 '' 400,000 '' 30 '' '' '' 175,000 134,535 '' 400,000 '' 30 '' '' '' 175,000 134,535 '' 400,000 '' 37,5% ''' '' 175,000 134,535 '' 400,000 '' 30 '' ''' '' 175,000 134,535 '' 400,000 '' 30 ''' ''' 175,000 134,535 '' 400,000 '' 37,5% '''' 175,000 134,535 '' 400,000 '' 37,5% '''' 175,000 25 '''' 175,000 ''' 37,5% '''' 175,000 134,535 ''' 400,000 '' 30 '''' ''''' 175,000 134,535 ''' 400,000 ''' 37,5% ''''' 175,000 134,535 '''''''''''''''''''''''''''''''''''	Taxable income of individuals 28% of federal "basic tax" levied under the Income Tax Act (Canada).	Taxable income of individuals 33% of federal "basic tax" levied under the Income Tax Act (Canada).	Taxable income of individuals 28% of federal "basic tax" levied under the Income Tax Act (Canada).	2 3				
Exemptions of tax are granted to everytaxpayer whose net income does not exceed \$4,000 if claiming married status (or equivalent) and \$2,000 in other cases.		In Alberta, effective July 1, 1969, the rate is increased to 33% from 28%.		4				
Corporation Tax Act; R.S. 1964, c 67, and amendments.	The Corporations Tax Act; R.S.O. 1960, c 73, and amendments.	Man.—The Income Tax Act (Manitoba), 1962; 1961, 2nd session, c 1, and amendments. Sask.—The Income Tax Act; R.S.S. 1965, c 62, and amendments. Alt.—The Alberta Income Tax Act; 1961 (2nd session), c 1, and	Income Tax Act, 1961; (2nd session), c 1, and amendments.	5				
12% — taxable income 1/5 of 1% — paid-up capital \$25 to \$50 — place of business	12% — taxable income 1/10 of 1% — paid-up capital (minimum \$50.00)	amendments. Taxable income of corporations	Taxable income of corporations	6				
Other rates and/or bases of taxation apply to certain classes of corporations, i.e. insurance, loan, navigation, telegraph, telephone, railway, natural gas, electricity, gasoline, liquor, brewery, and various public utility companies.	Other rates and/or bases of taxation apply to certain classes of corporations, i.e. banks, telegraph, pipelines, airlines, insurance, railway and other transportation companies.  Effective March 15, 1969, the place of business taxes are repealed.	11% In Alberta, effective July 1, 1969, the rate increased to 11% from 10%.	10%	8				
Succession Duties Act; R.S. 1964, c 70, and amendment.	The Succession Duty Act; R.S. 1960, c 386, and amendments.		Succession Duty Act; R.S. 1960, c 372, and amendments.	9				
Relationship: (1) Direct line (2) Collateral line (3) Strangers	Relationship: (1) Direct line (2) Collateral line (3) Strangers		Relationship: (1) Direct line (2) Collateral line (3) Strangers	10				
On estate:  1.8% to 15% on direct line 4% " 20% on collateral line 10% " 30% on strangers  On individual's share in estate: 1% to 10% on direct line 1% " 10% on collateral line	On estate:  2\%% to 14\% on direct line 6\% "17\% on collateral line 12\%\% "35\% on strangers  On individual's share in estate: 1\%\% to 15\% on direct line 2\2\2\% "13\% on collateral line 12\%\%" 35\% on strangers		On individual's share of net value of estate: 3% to 36% on direct line 8% "38% on collateral line 13%%" 40% on strangers	11				
Direct line: Total exemption where aggregate value of estate does not exceed \$75,000, and where it is entirely transmitted in direct line.  Where an estate is transmitted entirely in direct line, and where the value of the estate exceeds \$75,000, the succession duties that are paid must not lower the value of the estate to less than \$75,000.  Where only part of an estate is transmitted in direct line, and where the value of that part exceeds \$75,000, the succession duties paid must not lower the value of that part of the estate transmitted in direct line to less than \$75,000.  The amount derived from the total contribution made	and 10% surtax on tax for direct line 20% surtax on tax for collateral line 25% surtax on tax for strangers Direct line — aggregate value of property less than \$50,000. Collateral line — aggregate value of property less than \$20,000, unless share of individual exceeds \$10,000. Strangers — aggregate value of property less than \$20,000.		Direct line — outright collective exemption to surviving spouse and children (any age) \$60,000; additional exemptions for home property to \$35,000 and insurance to \$25,000; outright collective exemption to orphan children (any age) \$50,000; additional exemption for insurance to \$25,000; other direct line aggregate value of property less than \$50,000 Collateral line — where aggregate value of property is less than \$25,000; additional exemption for insurance to \$25,000 Collateral line — where aggregate value of property is less than \$25,000 Strangers — where aggregate value of property is less than \$10,000.	10				
towards a pension plan and the reimbursement of contributions made towards such a plan are excluded from the total value of the estate.  Collateral line:								
Aggregate value of estate not exceeding \$1,000.								



## PART II

CUSTOM DUTIES, EXCISE AND GENERAL SALES TAXES



# CUSTOMS DUTIES, EXCISE AND GENERAL SALES TAXES

The Government of Canada imposes a general sales tax on the price of goods manufactured in Canada and on the duty-paid value of imported goods. The rate of tax on most commodities is 12 p.c. consisting of a 9 p.c. tax levied under the Excise Tax Act and a 3 p.c. tax levied under the Old Age Security Act. These taxes are payable by the manufacturer at the time of delivery to the purchaser, or by the importer at the time of importation. Most building materials are taxed at a lower rate of 11 p.c. (8 p.c. excise tax and 3 p.c. old age security tax). Full exemption is allowed on raw materials, a wide range of production goods, and on specified categories of consumption goods and institutional purchases.

In addition to the general sales tax, special excise taxes apply to tobacco products, wines and a narrow

range of consumption goods. These taxes are imposed at the manufacturer's level; some are specific and the remainder are ad valorem.

Under the Excise Act duties are imposed on tobacco and alcoholic products (other than wine) made in Canada. Similar products of foreign origin are subject to customs tariffs of like amounts.

All provinces, except Alberta, impose a retail sales tax on a broad range of consumer goods and services purchased. The rates vary from 5 p.c. to 8 p.c. and details are given in Table 4. Other miscellaneous provincial taxes, rates and fees are summarized in Part III Table 5.

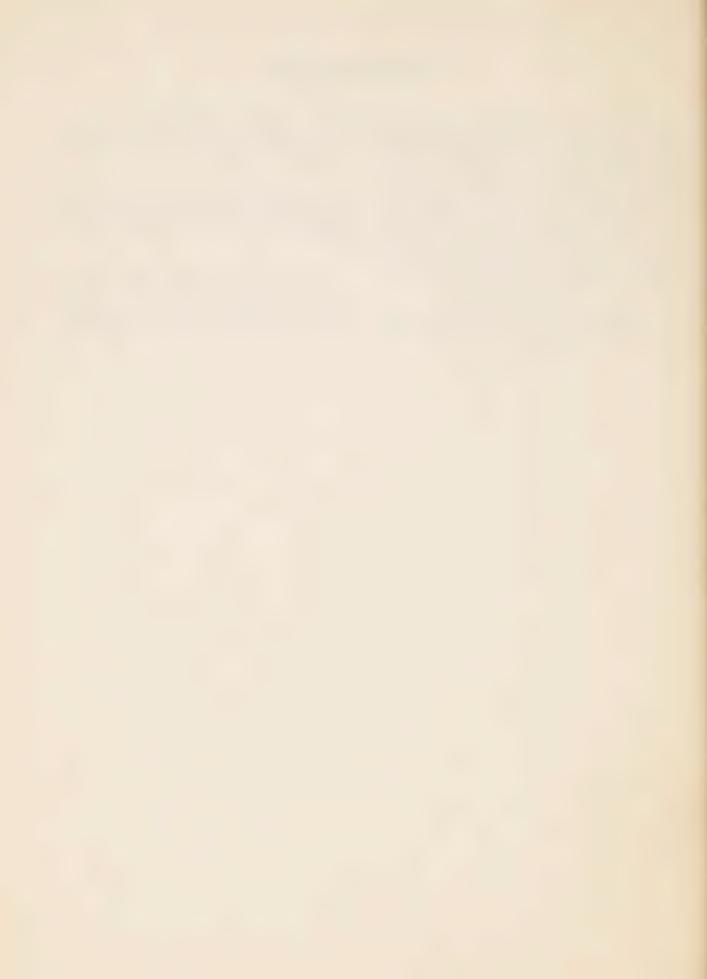


TABLE 3. Customs Duties, Excise and General Sales Taxes levied by the Government of Canada

	IAI	ble 3. Customs Duties, Excise and	General Sale	s laxes levied	by the Government of Canada	
Category	Statutory authority	Basis and r	ate		Exemptions, deductions, tax credits, etc.	
Customs duties	Customs Tariff; R.S. 1952, c 60 and 316, and amend- ments.	Mainly ad valorem <sup>1</sup> with some specific rates on most imported goods.	Most — favou special ag rious cour	erential (lowest) red — nation—under greements with va-	The tariff schedules are too lengthy and complicated to be summarized here. The rates applicable to a particular item may be obtained from the Department of National Revenue.	
Excise tax	Excise Tax Act; (Part I), R.S. 1952, c 99, 100, 319	Insurance companies: British or foreign companies not authorized to transact business in Canada, or non-resident agents of authorized British or foreign companies.	net premium	10%	Excluding insurance against marine risks, nuclear risks and life, personal accident or sickness insurance.	
	and 320 and amend- ments.	and amend-	Tobacco <sup>2</sup> - on domestic production:  Manufactured tobacco excluding cigarettes	per pound	35¢	Not levied on imports, but the customs tariff on these products is set at a rate to take into account the duties levied on domestic production.
		Cigarettes weighing not more than 3 lbs. per 1,000	per 1,000	\$4.00 \$5.00		
		Cigarettes weighing more than 3 lbs. per 1,000 Cigars Canadian raw leaf tobacco when sold for consumption	per pound	\$2.00 10¢		
		Alcoholic products:  Domestic potable spirits on the strength of proof distilled in Canada Non-potable spirits used in the manu-	per proof gal.	\$14.25	These duties do not apply to denatured alcohol for use in the arts and industries, nor for fuel, light or power or any mechanical purpose, nor do they apply to spirits used in the manufacture of vinegar, to certain points used to treat denote the property of the propert	
		facture of: Medicines, extracts, pharmaceutical preparations, etc.	**	\$1.50	spirits used to treat domestic wine, and to spirits used in the manufacture of toilet preparations or cosmestics subject to special excise tax. The Cus-	
		Approved chemical compositions Spirits sold to druggists and used in preparation of prescriptions	66	15¢ \$1.50	toms Tariff applies equivalent duties on imports.	
		Imported spirits taken into bonded manu-	44	30¢		
		factory, in addition to other duties Canadian brandy Beer	per gallon	\$12.25 42¢		
Special excise tax	Excise Tax Act; (Parts IV and V), R.S. 1952,		per unit ad valorem <sup>1</sup> per unit	Greater of \$2.00 or 15% ad valorem 15% 10¢		
	c 100 and 320 and	Cathode raytubes	ad valorem	15%		
	amend- ments.	Jewellery, clocks, watches	4.6	10%		
		Toilet articles and cosmetics Playing cards	per pack	10% 20¢		
		Tobacco and smoker's accessories: Cigarettes Cigars Matches	per 5 ad valorem	3¢ 17½% 10%		
		Lighters Cigarettes holders, pipes, etc. Tobacco — manufactured	per unit ad valorem per pound	10¢ 10% 90¢		
		Wines: Wines of all kinds containing 7% or less of absolute alcohol by volume Non-sparkling wines containing more	per gallon	25¢ 50¢	Excluding imports. Customs duties on imports are set to take into account the taxes levied on domestic production of wines.	
		than 7% of absolute alcohol by volume but not over 40% of proof spirits				
		Champagne and sparkling wines Additional levy on wines:	44	\$2.50		
		Wines of all kinds containing 7% or less of absolute alchohol by volume All other wines	per gallon	2½¢ 5¢	This levy applies equally to domestic and imported wines.	

¹ An "ad valorem" tax is levied as a percentage of the value of the goods, which, for tax purposes, includes customs duties in respect of imported goods and excise duties in the case of tobacco and alcoholic products manufactured in Canada. Where an article is subject to the general sales tax and to the special excise tax, both taxes apply separately to the same value.

¹ Bringing together the taxes imposed on tobacco products under the Excise Tax Act and the duties imposed under the Excise Act, the total taxes on the ollowing tobacco products are:

Cigarettes —\$10.00 per thousand (or 20¢ per pack of 20 cigarettes) plus the 12% sales tax at the manufacturer's level.

Manufactured tobacco —\$1.25 per pound plus the 12% sales tax at the manufacturer's level.

Cigars — \$2.00 per thousand plus the 17½ p.c. special excise tax and the 12 p.c. sales tax on the manufacturer's sale price.

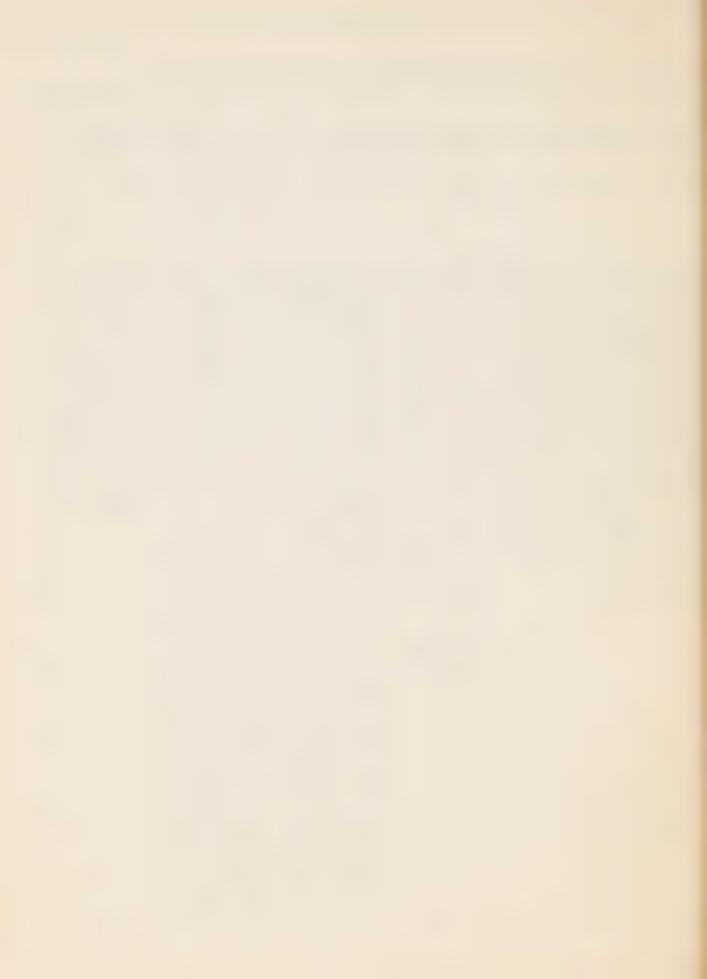
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TABLE 4. General Sales Taxes levied by the Government of Canada and the Provinces

	TABLE	4. General Sales Taxes I	evied by the Government	of Canada and the Provinc	, es
No.	Category	Government of Canada	Newfoundland	Prince Edward Island	Nova Scotia
1	General sales tax Statutory authority	Excise Tax Act; (Part VI), R.S. 1952, c 100 and 320, and amendments. Old Age Security Act; R.S. 1952, c 200, and amend- ments.	The Social Security Assessment Act, 1963; no.83, and amendments. The Social Security Assessment (Exemption) Act, 1961 no.15, and amendments.	The Revenue Tax Act; 1960, c 36, and amendments.	Health Services Tax Act; 1969, c 118.
2	Basis	Manufacturer's selling price or duty-paid value of imports-ad valorum	Retail price	Retail selling price general- ly, but in some instances at consumer cost.	Purchase price
3	Rate	12%. A special rate of 11% is imposed on a wide range of building materials (Rates include Old Age Security Tax of 3%)	7%	7%	7%**
4	Exemptions	Age Security Tax of 3%)  Exemptions include: Production machinery and apparatus and materials consumed or expended directly in the process of manufacture or production of goods; certain goods used in commercial fisheries; equipment and machinery used in farming; foodstuffs; drugs; appliances for the handicapped; heating fuels; electricity; most products of farms, forests, fisheries and mines; goods used by public hospitals; books, magazines, newspapers; certain goods purchased by municipalities; materials used in the construction of schools, universities and public libraries.	Exemptions include: gasoline and fuel oil; vessels over 300 tons gross; boats and apparatus for use in commercial fishing or processing of fishery products; drugs on doctor's prescription; sales to Federal government; sales for delivery outside the province; seeds, feeds, fertilizers, farm equipment and machinery; food; sales and meals of less than 8¢. Specific exemptions are allowed to certain companies such as railways, mines, shipyards, pulp and paper, etc., for installation and expansion of plant and equipment.  Rate is effective April 1, 1968.  Effective May 14, 1969, the tax is imposed on the following services: hotel and motel room rentals; motor vehicle repairs and maintenance; long distance telephone calls; and laundry and drycleaning services.	Exemptions include: food; gasoline; fuels; electricity; farm machinery and equipment; fishing apparatus to be used in trade; drugs on doctor's prescription; machinery, apparatus and raw materials used directly in the production of goods for sale; feeds, seeds and fertilizers; sales for delivery outside the province; meals priced at \$1 or less; magazine and newspaper subscriptions; children's clothing and footwear; commercial aircraft; cigarettes and tobacco; text books and school supplies; books and articles used in the practice of religion; all purchases under 11¢. Certain exemptions are allowed on equipment purchased by municipalities for roads, sewerage, drainage and firefighting and on capital outlay purchases by schools and universities.  Effective April 15, 1969, the tax increased to 7% from 5%.	Exemptions include; foods; gasoline and fuel oil; meals priced at \$1.00 or less; children's wear and a number of other consumer goods, machinery, equipment and materials used in agriculture, fishing, mining and manufacturing; tangible property purchased by a municipality or agency thereof, and all purchases of 15¢ or less.  Effective April 4, 1969, the tax increased to 7% from 5%.  **Taxes levied underthis Act are used in providing health services (hospital benefits, medical care, etc.) for residents of the province.  **Electricity is taxed as follows under the "Health Insurance Tax Act": domestic use — .50c per month commercial use — \$1 to \$30 per month



TABLE 4. General Sales Taxes levied by the Government of Canada and the Provinces									
New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	British Columbia	No.			
ocial Services and Edu- cation Tax Act; RSNB 1952, c 213, and amendments.	Retail Sales Tax Act; R.S. 1964, c 71, and amendments.	The Retail Sales Tax Act; 1960-61, c 91, and amendments.	The Revenue Tax Act; 1966-67, c 57, and amendment.	The Education and Health Tax Act; R.S.S. 1965, c 66, and amendments.	Social Services Tax Act; R.S. 1960, c 361, and amendments.	1			
Fair value"	Retail price	Retail price and rent of tangible personal property.	Fair values	Retail price and rent of tangible personal property.	Retail price	2			
8%	8%	5%*	5%	5%	5%	3			
xemptions include: fuel; agricultural feeds and seeds; orthopaedic appliances; production machinery and apparatus; goods purchased for the purpose of being processed; fabricated or manufactured into or incorporated into goods for sale; purchases of foodstuffs; drugs on doctor's prescription; machinery and implements for fishing and farming; children's clothing; some children's footwear; books; school supplies; to-bacco; goods sold for consumption outside the province; all purchases of 11¢ or less; and meals priced at \$1.00 or less.  ffective April 1, 1968, the tax was levied on the price of hotel and motel accomodations; as of April 1, 1969, it is levied on the price of dry cleaning and laundry services.  ffective April 1, 1969, the rate is increased to 8% from 6%.	Exemptions include: bonds and shares of corporations; secu- rities; intangible property; beer; to- bacco; gasoline; fuel oil; foodstuffs; agricultural prod- ucts; farm imple- ments and machin- ery; fishing appa- ratus and tugs and ships to be used in trade; drugs on doc- tor's prescription; fares on transporta- tion systems; ad- mission prices to places of amuse- ment; sales to Fed- eral and Provincial governments; hos- pitals and churches; sales for delivery outside the prov- ince; meals; books and periodicals; grain andmill feeds; coal; firewood; children's clothing and footwear; optic- al appliances; hear- ing aids; dentures and all sales of 10¢ or less.	Exemptions include: Food products including insulin and vitamins; meals at \$2.50 and under; gasoline; diesel fuel; fuel oil; coal; coke; wood; gas; electricity; farm implements; farm supplies; agricultural products; commercial boats and other fishing apparatus; prescription drugs and optical appliances; artificial limbs; hearing aids; dentures; railway rolling stock; children's clothing and footwear; school books; religious and educational publications; classroom supplies; newspapers; subscription magazines; draught beer; tobacco; sales for delivery outside the province and sales of 20¢ and under.  Buses used for urban public transportation; materials purchased by municipalities and certain bodies for the construction of buildings, etc., are exempt.  *Effective April 1, 1969, a special rate of 10% is imposed on meals over \$2.50, liquor, bottled beer, wine, and admissions.	Exemptions include: agricultural feeds; food and drink, not including alcohol; meals less than \$2.00; naturalwater; sales less than 26¢, children's clothes and footwear; prescription drugs and medicaments; optical appliances, artificial limbs, orthopaedic appliances, hearing aids, dentures and repair thereof; plants or animals and the products which constitute food or drink; farm implements and farm machinery and repair parts: commercial fishing boats, fishing nets and other apparatus used for commercial fishing and repairs thereof; commercial vessels of more than 200 tons; fertilizers and weed control chemicals; railway rolling stock and repair parts; books, newspapers and periodical publications; aircraft engaged in foreign or interprovincial trade and repair parts; production machinery used in the process of manufacture of tangible personal property for sale or rendering a service; settler's effects; goods taxed under The Amusements Act. The Gasoline Tax Act, The Gasoline Tax Act, The Tobacco Tax Act, The Motive Fuel Tax Act, or Part 1 of The Revenue Act, 1964; tangible personal property (other than motor vehicle) sold to a non-resident of Canada and taken permanently out of Canada within 30 days; processing or installation of tangible personal property; reproduction of painted, handwritten material on a typewritten material on a typewritten material on typewritten material or typewritten material or typewritten material or typewritten material by use of office photocopying; typewritten material or any typewritten material or a typewriten mat	Exemptions include: Agricultural products when sold by producer thereof, automatic poul- try-house waterers and feeders; artificial limbs; baler twine; balling wire; barbed wire when pur- chased by a farmer; bed- ding plants; Bibles, test- aments, prayer books, missals, hymn books; binder twine; books, magazines, periodicals and phonograph records when purchased by sub- scription for delivery by mail; clay; earth; coal; coins; dental appliances; dentures; domestic fuel oil; drugs and medicines; equipment designed sole- ly for the use of blind persons, cripples or chronic invalids; farm implements and farm ma- chinery and parts; certain designated farm tools and commodities; fence pickets when purchased by a farmer; fertilizer; fishing nets; food and drink, except spirituous, malt and vinous liquors, and meals when sold at a price of \$2.00 or more; forage crop seed; fuel petroleum Products tax- able under The Fuel Pe- troleum Products Act; garden seed; grain; hear- ing aids; insecticides, fungicides andherbicides purchased for use on a farm, railway right of way or by a municipality or other similar authority for use on roadways or road allowances; liquefied pe- troleum gases used for heating and cooking in homes and buildings; matches; natural water, including ice and steam; newspapers; notes as defined in the Bank of Canada Act; optical ap- pliances; railway rolling stock, ties and steel rails; school text and school reference books; shrubs; tangible personal property sold to a non- resident; tangible personal property sold to the tax) tobacco; trees; un- cancelled Canada postage stemps; weed control c	Exemptions are allowed for food- stuffs; confections; motor and heating fuels; farm equip- ment and supplies; commercial fishing equipment; pre- scription drugs and health appliances; draught beer; sales to Federal Govern- ment; sales for con- sumption outside of Province, sales of less than 15¢; child- ren's clothing and footwear for children for the age of 15; rest- taurant meals; school books and supplies; religious books; newspapers; period- icals and magazines.  Proceeds of this tax are used to finance provincial hospital insurance; health; welfare and other expenditures.	4			



### PART III

MISCELLANEOUS PROVINCIAL TAXES

Table 5. Miscellaneous Provincial Taxes

			Table 5. Miscellaneous	110111101111		
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
1	Amusement tax Statutory authority	-	The Amusement Tax Act, 1952; c 3, and amend- ment.	Theatres and amuse- ments Act; R.S. 1954, c 288.	Theatres, Cinematographs and Amusements Act. R.S.N.B. 1952, c228, and amendments.	-
2 3	Basis		Admission price  From:  31¢ - 40¢	Admission price  From:  56¢ - 70¢	Admission price  Theatre rates: up to 25¢	
4	ments	The Entertainment Tax Act was repealed September 1, 1968.	Church, school and municipal functions and tickets costing up to 30¢ are exempt.	-	Other amusements rates: up to 25¢ 2¢ from 26¢ to 50¢ 5¢ from 51¢ to \$1.00 10¢ and 5¢ for each additional 50¢ or fraction thereof in excess of \$1.00.  Exemptions: Certain functions such as school entertainment, agricultural fairs, etc.	
5	Fuel tax Statutory authority	The Gasoline Tax Act, 1962; No. 55 and amendments, The Fuel Oil Tax Act, 1962; No. 76.	The Gasoline Tax Act; 1961, c 13, and amend- ments.	Gasoline and Diesel Oil Tax Act; 1965, c 8, and amendments.	Gasoline and Motive Fuel Tax Act; 1965, c 3, and amendments.	Gasoline Tax Act; R.S. 1964, c74, and amend ments.
6 7		Per gallon Motor fuel - 25¢ Fuel oil - 1¢	Per gallon Motor fuel 21¢	Per gallon Gasoline -21¢ Diesel fuel -27¢	Per gallon Gasoline -20¢ Motor fuel -23¢	Per gallon Gasoline -19¢ Diesel fuel-25¢
8	Exemptions and comments	Exemptions include gasoline used by government departments, municipalities, members of the Diplomatic Corps and aircraft in all motorized equipment (except trucks and automobiles) used for agricultural purposes; in tractors, powersaws, and sawmills used for logging purposes; in fish processing plants, certain manufacturing plants, vessels and boats used in trade, plants to generate electricity and household appliances; as a household fuel; for the exploration and development of minerals up to the point of production and for export from the province.  Exemptions include fuel oil used by vessels except pleasure boats, tugs, dredges and scows, also fuel oil used for domestic purposes or in institutions, commercial buildings and manufacturing plants, and for export from the province.  Gasoline tax was raised to 25c from 20c per gallon as at April 1, 1968.	Aviation fuel and the fuel used in offshore fishing fleet exempted. Holders of valid permits issued by provincial treasurer may purchase marked gasoline and/or diesel fuel tax free.  The tax increased to 21¢ from 18¢ effective March 20, 1968.	The use of marked gasoline is restricted to industry.  Effective April 4, 1969, the tax on gasoline increased to 21¢ from 19¢.	Fuel used by fishermen and farmers is exempt as is fuel used other than in motor vehicles on public highways (except in repair and construction of bridges and roads). Marked gasoline may be used by farm trucks that are unlicenced and used exclusively off the highway.  Effective April 1, 1969, the tax on gasoline increased to 20¢ from 19¢.	Full tax refunds are. a lowed on gasolin used in the operatio of farm tractors, an fishing boats used i trade. Refunds of pa of the tax are allow on gasoline used i stationary engine (except gasoline use by farmers and fishe men), pumps to fig forest fires, aerial navigation and as an ingredient of manufactured products.  Effective from Marc 28, 1968 the rates in creased from 16¢ an 22¢ respectively to the above quoted.

TABLE 5. Miscellaneous Provincial Taxes

TABLE 5. Miscellaneous Provincial Taxes								
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.	
-	The Amusements Act; R.S.M. 1954, c 4, and amendments.	_	See: Race track tax section on page 33.	-	Amusement Tax Ordinance; R.O. 1958, c 3.	_	1	
	Admission price  From: 61¢ to 64¢ 1¢ 65¢ " 67¢ 2¢ 68¢ " 70¢ 3¢ 71¢ " \$1.00 5% over \$1.00 10%				Admission price 10%		3	
Effective April 1, 1969, admissions are taxed under the Re- tail Sales Tax Act, (See page 23)	Admissions priced at 60¢ or less are exempt.				Exemptions include: exhibitions held by an incorporated soci- ety, amateur athle- tics, and exhibitions of works of art.		4	
The Gasoline Tax Act; R.S.O. 1960, c 162, and amendments. The Motor Vehicle Fuel Tax Act: R.S.O. 1960, c 248, and amendments.	The Gasoline Tax Act; 1963, c 30, and amendments.  The Motive Fuel Tax Act; 1963, c 48, and amendments.	The Fuel Petro- leum Products Act; R.S.S. 1965, 67, and amendments.	The Fuel Oil Tax Act, 1968; c 33.	Gasoline Tax Act, 1948; R.S. 1960, c 162, and amendments.  Coloured Gasoline Tax Act; R.S. 1960, c 63, and amendments.  Motive Fuel Use Tax Act  Fuel Oil Tax Act	Fuel Oil Tax Ordinance; 1968, (4th session), c 2.	Fuel Oil Tax Ordinance; R.O. 1956, c 40, and amendments.	5	
Per gallon  Gasoline -18¢ * Diesel fuel-24¢ * Aviation - 3¢ *	Per gallon Clear gasoline - 17¢ Aircraft gasoline - 2¢ Motive fuel - 20¢ Special rates; Bunker - 1/3¢ Propane - 1¢ Coloured - 1¢	Per gallon  Gasoline -17¢ Diesel fuel-20¢ Other fuels- 2¢	Per gallon Gasoline -15¢ Diesel fuel - 17¢	Per gallon  Gasoline (clear) -13¢ Aircraft gasoline - 1¢ Coloured gasoline - 1¢ Motive fuel -15¢ Fuel oil -½¢	Per gallon 11¢	Per gallon Gasoline fuel - 12¢ Diesel fuel - 10¢* Fuel oil - 3¢ Aircraft fuel and oil - 1½¢	c	
Full tax refunds are allowed on gasoline used by farmers and commercial fishermen; others are granted relief from tax at 13c per gallon on gasoline used other than in motor vehicles or equipment travelling on highways. Exceptions to the tax relief procedure are motor boats and motorized snow vehicles which are liable for the full rate from April 1, 1969. Dieselfuel other than in a motor vehicle or in a machine used on a highway or in connection with the construction or maintenance of a highway is exempt from tax.  Rates are effective from March 13, 1968.	"Motive fuel" means any fuel not taxed under the Gasoline Tax Act.  Exemptions are allowed on purple fuel used in operating agricultural machinery, farm trucks and municipal fire apparatus; and in trapping, fishing and prospecting.  Total exemption on purple fuel for operation of municipal fire apparatus and lighting plants, hospital and agricultural machinery and domestic heating purposes. Partial refunds on other items as set out in the Act.	The tax on clear gasoline and clear diesel fuel was increased by 2¢ per gallon to provide a rate of 17¢ and 20¢ respectively effective March 2, 1968, and a tax of 2¢ per gallon was imposed effective April 1, 1968, on all other fuel petroleum products except on those used for heating purposes.	12¢ for gaso- line and 14¢ for diesel fuel per gallon are al- lowed for in- dustrial pur- poses, and for aircraft opera- tions. Effec-	lowed for operation of log- ging trucks off highways, motor vehicle power units for industrial purposes while vehicle is stationary, and motorvehicles of amputees, paraplegics, and certain classes of war veterans. Motor vehicles entering the Province subject to tax on imports in supply tanks ex- ceeding forty gallons.  Coloured gas oline may only be used in ships, boats and other water vehicles, sta- tionary and portable engines and tractors for off highways; logging trucks used ex- clusively off highways; railwaylocomotives, railway cars and track operated motor vehicles; and for non- motor vehicle industrial pur-	Fuel oil includes all liquid products obtained by distillation or condensation or absorption or any other process from petroleum, natural gas, casing head, or natural gasoline, benzene, naptha, coal, coal tar. oil shales, kerosene, gas, oil and any combination of any such products.  Exemptions — No tax is payable in respect of fuel oil that is used or to be used in stationary generators of electricity, to propel an aircraft, for heating, for laying or sprinkling on roads or streets, as cleaning fluids or solvents, in the operation of farming purposes, by the Government of Canada, a municipality as defined in the Municipal Ordinance, and by a visiting force as defined in the Visiting forces (North Atlantic Treaty) Act.  The rate of tax on fuel oil was raised to 11¢ from 9¢ per gallon, effective January 23, 1968.	diesel fuel tax rate increased to 10¢ from 8¢ per gallon.  *Where diesel fuel is used for motor vehicles, the rate is 12¢ per gallon.	8	

TABLE 5. Miscellaneous Provincial Taxes - Continued

		TABLE	J. Misceriancous 110			
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
1	Motor vehicle licences and fees Statutory authority	The Highway Traffic Act, 1962, No.82, and amend- ments	The Highway Traffic Act, 1964; c 14, and amend- ments.	Motor Vehicle Act; R.S. 1954, c 184, and amend- ments.	The Motor Vehicle Act, 1955; c 13, and amend- ments.	Highway Code; R.S. 1964, c 231, and amendments.
2	Basis	(a) flat rate per vehicle	(a) weight of the vehicle	(a) per 100 lb. vehicle weight	(a) per pound of weight of motor vehicle.	(a) per pound of vehicle weight
		(b) operator	(b) operator (c) chauffeur	(b) operator (c) chauffeur	(b) operator (c) chauffeur	(b) operator (c) chauffeur
3	Rate	(a) \$18.00 to 24.00	(a) Not over 2,500 lb. — \$17.00 2,501 to 3,100 lb. — \$21.00 3,101 to 3,700 lb. — \$24.00 3,701 to 4,300 lb. — \$28.00 4,301 lb. and over — \$31.00;	(a)\$1.00 per 100 lb. of vehicle weight. Minimum licence fee is \$15.00.	(a) 1¢ perpound of weight of motor vehicle: minimum fee of \$20.00 per vehicle plus a fee of \$4.00 for licence plates, (effective January 1, 1969).	(a) 1¢ per pound (min- imum \$20.00)
		(b) Operator's licence — \$9.00	(b) Operator's licence - \$2,00 (c) Chauffeur's licence - \$7.00	\$6.00	(b) Operator's licence — \$4.00 (c) Chauffeur's licence — \$4.00	(b) Operator's licence - \$6.00 (c) Chauffeur's licence - \$6.00
4	Comments	(a) Reduced rates apply later in the year.  Operator's licence has a three year term. Expiry date is on licensee's birthday.	(a) Reduced rates apply later in the year.  Operator and chauffeur licences have a two year term. Expiry date is on the last day of licensee's month of birth. Rates are effective from January 1, 1968.	Licences expire Dec. 31 (may be extended to March 31). Operator's licence has a three year term; chauffeur's licence has a one year term. Rates are effective April 4, 1969.	(a) Reduced rates apply later in the year which expires Dec. 31.  Operator and chauffeur licences have a two year term.	1 year - \$3.00  Allrates are effective January 1, 1969
	Insurance tax (a) On insurance compa- nies:					
5	Statutory authority	The Insurance Companies Tax Act. 1957; No. 76 and amendments.	The Premium Tax Act; 1957, c 27, and amend- ments.	Insurance Premiums Tax Act; 1957, c 4.	Premium Tax Act; 1957, c. 14.	Corporation Tax Act; R.S. 1964, c 71, and amendments.
6	Basis	Premium income	Premium income	Premium income	Premium income	Premium income
7	Rate	2%	2%	2%	2%	2%
8	Comments	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	_
9	(b) Fire insurance: Statutory authority	The Insurance Premiums Tax Act, 1968; No. 59.	The Fire Prevention Act; R.S.P.E.I. 1951, c 59, and amendments.	Fire Prevention Act; R.S. 1954, c 101, and amendments.	Fire Prevention Act; RSNB 1952, c 86, and amend- ments.	Corporation Tax Act; R.S. 1964, c 71, and amendments,
10	Basis	Premiums charged	Gross premiums	Premium income	Premium income	Premium income
11	Rate	7%	% of 1%	½ of 1%	1%	2%
12	Comments	This tax is paid by the policy holder. It is levied on all insurance premiums other than life, accident, sickness, and marine premiums.	This is a new tax under the provisions of Bill 48. Effective date is April 1, 1968.	Rates as determined by the Lieutenant Governor in Council.	-	-

TABLE 5. Miscellaneous Provincial Taxes - Continued

Act; R.S.O. 1960, c 172, and amend- ments. ) number of cylinders i) operator c) chauffeur	Act; 1966, c 29, and amendments.  (a) length of wheel base  (b) driver (c) chauffeur	R.S.S. 1965, c 377, and amendments.  (a) length of wheel base  (b) operator (c) chauffeur  (a) \$14 for wheel base not exceeding	Alberta  The Highway Traffic Act; 1967, c 30, and amendments.  (a) length of wheel base  (b) operator	R.S. 1960, c 253 and amendments.	nance; R.O. 1958, c 77, and amend- ments.	Motor Vehicles Ordinance; R.O. 1956, c 72, and amendments.  (a) flat rate for passenger vehicles and light trucks.	No.
Act; R.S.O. 1960, c 172, and amend- ments. ) number of cylinders  ) operator :) chauffeur  4 cylinders or less (after 1933) — \$20.00	Act; 1966, c 29, and amendments.  (a) length of wheel base (b) driver (c) chauffeur  (a) \$11.25 for wheel base not exceeding 100" in length; for each additional 5 inches or portion	R.S.S. 1965, c 377, and amendments.  (a) length of wheel base  (b) operator  (c) chauffeur  (a) \$14 for wheel base not exceeding	Act; 1967, c 30, and amendments.  (a) length of wheel base	R.S. 1960, c 253 and amendments.  (a) net weight of vehicle  (b) operator	nance; R.O. 1958, c 77, and amend- ments. (a) length of wheel base	nance; R.O. 1956, c72, and amendments.  (a) flat rate for passen- ger vehicles and light trucks.	2
i) operator :) chauffeur i) 4 cylinders or less (after 1933) — \$20.00	base  (b) driver (c) chauffeur  (a) \$11.25 for wheel base not exceeding 100" in length; for each additional 5 inches or portion	base  (b) operator (c) chauffeur  (a) \$14 for wheel base not exceeding	base	hicle (b) operator	base	ger vehicles and light trucks.	2
c) chauffeur  1) 4 cylinders or less (after 1933) — \$20.00	(c) chauffeur  (a) \$11.25 for wheel base not exceeding 100" in length; for each additional 5 inches or portion	(c) chauffeur  (a) \$14 for wheel base not exceeding	(b) operator		(b) operator		
(after 1933) - \$20.00	base not exceeding 100" in length; for each additional 5 inches or portion	not exceeding		(-,	(c) chauffeur	(b) operator (c) chauffeur	
8 cylinders — \$35.00	Additional charge of 50¢ on all registrations for the Unsatisfied Judgement Fund	110" \$20 for wheel base of 111" to 120" \$26 for wheel base exceeding 120"	(a) \$15 for wheel base not exceeding 110'' \$20 for wheel base of 120'' \$25 for wheel base of over 120''	(a) 1,500 lb, or less — \$10.80   1,501 lb, to 2,000 — \$14.40   2,001 lb, to 3,000 — \$18.00   3,001 lb, to 4,000 — \$22.50   4,001 lb, to 5,000 — \$31.50   5,001 lb, to 6,000 — \$45.00   6,001 lb, to 7,000 — \$58.50   Plus registration fee of \$1.00 for non-commercial vehicles.	(a) \$15.00 for wheel base 100" or less \$20.00 for wheel base 101" to 120" \$25.00 for wheel base 121" and over	(a) \$15.00 for vehicles operated on the Mac- kenzie Highway \$7.50 for vehicles operated elsewhere in the Territories.	3
o) Operator's licence — \$6.00 cence (on renewal) - \$6.00	(b) Operator's licence - \$5.00 (c) Chauffeur's licence - \$7.50	(b) Operator's licence - \$2.00 (c) Chauffeur's licence - \$3.00	(b) Operator's licence - \$5.00	(b) Operator's li- cence - \$5.00 (c) Chauffeur's li- cence - \$3.00	(b) Operator's licence \$ \$2.00 (c) Chauffeur's licence - \$5.00	(b) Operator's licence - \$2.00 (c) Chauffeur's licence - \$3.00	
perator and chauffeur licences have a three-year term, Rates are effective December 1, 1968.	(a) Reduced rates apply later in the year which expires February 28 Operator and chauffeur licences have a two year term	Operator and chauffeur licences have a one year term. Expiry date is April 30. See "Miscellaneous taxes" for motor vehicle insurance, p. 35.	Operator's licence has a five-year term; expiry date is March 31.	(a) Rates are reduced one-twelth each month to a minimum fee of \$2.00.  Operator's licence has a five year term; chauffeur's licence has a one year term.	(a) Effective January 23, 1968, the fee for a motor vehicle having a wheel base of 100" or less is reduced to \$15.00 from \$17.00.  Both operator and chauffeur licences have a one year term. Expiry date is March 31. Reduced rates apply later in the year.	(a) Rates are reduced 50% after October 31.  Both operator and chauffeur licences have one year terms.	
The Insurance Act; R.S.O. 1960, c 190, and amendments.	The Insurance Corporations Tax Act; 1957, c 32, and amendments	The Insurance Premiums Tax Act; R.S.S. 1965, c 63, and amendments.	The Insurance Corporations Tax Act; 1957, c 35, and amendment.	Insurance Premiums Tax Act, R.S. 1960, c 198.	_	-	5
ross premiums or deposits	Premium income	Premium income	Premium income	Premium income			6
2%	2%	2%	2%	2%			7
-	Exemption for marine insurance and annuity contracts	Exemption for marine insurance and annuity contracts. *See 'Miscellaneous taxes' for motor vehicle insurance, page 35.	insurance and an- nuity contracts.	Exemption for marine insurance and annuity contracts.	-	_	8
The Fire Marshals Act; R.S.O. 1960, c 148, and amendments.	The Fires Prevention Act; R.S.M. 1954, c 86, and amend- ments Premium income	The Fire Prevention Act; R.S.S. 1965, c 365, and amend- ment. Premium income	Act; R.S. 1955,	Fire Marshal Act; R.S. 1960, c 148, and amendment.	-	-	10
Up to 1%	2/3 of 1%	1%	1/3 of 1%	1%			11
Rates are determined by the Lieutenant Governor in Coun- cil.		-	-	Rate determined by Lieutenant Gover- nor in Council.	-	-	12

TABLE 5. Miscellaneous Provincial Taxes - Continued

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
1	Insurance tax — Concluded (c) Hospital insurance: Statutory authority	-	-	-	-	-
2	Basis					
4	Comments					
Anna Anna						
5	Logging tax Statutory authority	-	-	_	-	Logging Tax Act; R.S. 1964 c 68, and amendments.
	Basis					Income (as defined)
8	Comments					Full exemption is allower where income is less than \$10,000; where income exceeds \$10,000, the tails paid on the total in come including the
						\$10,000.
9	Mining tax Statutory authority	The Mining Tax Act; R.S.N. 1952, No. 43, and amendments	-	Gypsum Mining Income Tax Act; R.S. 1954, c 114.	Mining Income Tax Act; (formerly, Mining Tax Act) 1954, c 10, and amendments.	Mining Duties Act; 1968 c 35.
10	Basis	Net income of mining corporations		(a) On net income or (b) Per ton mined	Net income of mining corporations.	Net profit of mining comporations.
11	Rate	Iron — 20% Others — 5%		(a) 33½% of net income as set out in the Act. (b) 6¢ perton; mining operation calculated at a fixed rate of 18¢ per ton, of which 33½% is taxed.	7% on net income from \$10,001 to \$1 million; 8% on net income from \$1 million to \$5 million; 9% on net income over \$5 million.	9% on net profit of \$50,000 to \$1,000,000; 11% of net profit of \$1,000,001 \$2,000,000; 13% on ne profit of \$2,000,001 \$4,000,000; 15% on ne profit over \$4,000,000.
12	Comments	-	-	-	Net income up to \$10,000 is exempt.	Net profit up to \$50,000 i exempt. Rates were revised effective from January 1, 1966.

	TABLE 5. Miscellaneous Provincial Taxes - Continued								
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No		
The Hospital Services Commission Act; R.S.O. 1960, c 176, and amend- ments.	The Hospital Services Insurance Act; 1962. c 30, and amend- ments.	The Saskatchewan Hospitalization Act; R.S.S. 1965, c 253, and amendments.	-	-	-	-	1		
Monthly premiums	Monthly premiums	Annual premiums					3		
Single \$5.50, family \$11.00	Single \$3.60, family \$7.20	Single \$24.00, family \$48.00					3		
Rates are effective from July 1, 1968.	Rates are effective January 1, 1969. Premium rates for members of the RCMP and the Canadian Armed Forces. Family (1 dependent), \$3.60. Family (2 or more dependents), \$5.40.	Utilization fees of \$2.50 per day in hospital up to 30 days and \$1.50 per day thereafter were introduced in 1968. *See Medical care insurance in "Miscellaneous taxes and rates" on page 35.					4		
The Logging Tax Act; R.S.O. 1960, c 224, and amendments.	_	-	-	Logging Tax Act; R.S. 1960, c 225, and amendments.	_	-	5		
Income (as defined)				Net income			6		
10% on income in excess of \$10,000.				15% where net income exceeds \$10,000			7		
Tax credit of one-third of tax is provided under the provincial. Corporations Tax Act, Two-thirds may be deducted from federal income tax under the provisions of the federal In-				Full exemption is allowed where net income is less than \$10,000; where net income exceeds \$10,000, the tax is paid on the total net income, including the first \$10,000.			8		
come Tax Act.				Tax credit of ten-fiftieths of tax is provided under the provincial Income Tax Act. Two-thirds may be deducted from federal income tax under the provisions of the federal Income Tax Act.					
				Effective April 1, 1968, the rate increased to 15% (as above) from 10% on net income of \$25,000.					
The Mining Tax Act; R.S.O 1960, c 242.	The Mining Royalty and Tax Act; R.S.M. 1954, c 169, and, amendments.	The Mineral Taxation Act, R.S.S. 1965, c 64, and amend- ments.	The Mineral Taxa- tion Act; R.S. 1955, c 203, and amend- ments.	Mining Tax Act; R.S. 1960, c 247, and amendments	-	_	9		
Net profit on the mining of ore.	Net profit of mining corporations.	(a) a flat rate per acre for freehold miner- als owned by cor- porations;	(a) assessed value of minerals and	Net income			10		
		(b) the assessed value of minerals for freehold lands.	acre of land.						
*15%	6%-1st \$1,000,000; 9%-next 4,000,000; 11%-over 5,000,000.	(a) flatrate* - 10¢ per acre; the tax is not applicable to an owner who is an individual (b) assessed value - 8 mills.	Rates vary with respect to different classes of minerals in (designated) producing areas. Tariff of fees not to exceed 5¢ per acre (minimum 25¢).	15% on netincome in excess of \$10,000			11		
Applicable to the total profit of the mine in the taxation year, as determined under the Act.  Mining companies obtaining a profit of less than \$50,000 are exempt. Those obtaining a profit in excess of \$50,000 pay on the total profit including the first \$50,000.  New 15% rate applies with respect to taxation years	years of operations is 50% of the above- noted rates.  Also, the Mineral Tax- ation Act imposes a rate of 8 mills on the assessed value of crude oil in, on or under land in a de- signated producing area	Assessed value of minerals is based on value of production for the year previous, Acreage tax applies only to corporations holding land in Saskatchewan. Producing tracttax applies to all freehold minerals.  *Effective January 1,	No tax is payable in respect to coal mining.	The rate, up 5%, is effective from April1, 1968 and now includes coal and mineral concentrates. The amended Act makes the processors of minerals, as well as owners of mines, liable for tax.			12		
ending in 1969 and sub- sequent taxation years. Previous graduated rates ranged up to 12%.	1	1969, the rate increased from 3¢ to 10¢ per acre.							

#### TABLE 5. Miscellaneous Provincial Taxes - Continued

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
1	Race track tax Statutory authority	The Horse Racing (Regulations and Tax) Act, 1963; No. 65, and amendments.	The Amusement Tax Act, 1952; c 3, and amendment.	Theatres and Amusements Act; R.S. 1954, c 288.	Theatres, Cinematographs, and Amusements Act; RSNB 1952, c 228, and amendments.	Licences Act; R.S. 1964 c 35.
2 .	Basis	Amount of bets placed under the pari mutuel system.	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool
3 1	Rate	11%	11½%	11%	11% of wagers	7% of ticket evidencing the choice of a single winning horse; 9% or other tickets.
4	Comments	-	Effective February 19, 1969, the rate increased to 11½% from 11½. The track operators are allowed 5½% as a special concession.	If tax is remitted within 7 days, the Race Association may deduct a commission as follows:  - on first \$200,000  - 6%  - on next \$200,000  - 7%  - over \$400,000  - 5%  - commission on any amount, after Oct. 31 8%	If tax is remitted within 7 days, the Race Association may deduct from 6½% to 8% of the amounts wagered as commission.	
5	Tobacco tax Statutory authority	The Tobacco Tax Act, 1964; No. 81, and amendments.	The Health Tax Act; R.S.P.E.I. 1951, c 71, and amendments.	Health Services Tax Act; 1969, No. 118.	Tobacco Tax Act; RSNB 1952, c 231, and amendments.	Tobacco Tax Act; R.S. 1964, c 72, and amendments.
6	Basis	By cigarette; by retail price of cigars; other tobacco products by weight.	By cigarette; by retail price of cigars and other tobacco products.	By cigarette; by retail purchase price of cigars and other tobacco products.	By cigarette; by retail price of cigars and other tobacco products.	By cigarette; by retail price of cigars and other manufactured tobacco.
7		Cigars from:  15¢ - 2¢ each 16¢ to 25¢ - 4¢ " 26¢ " 35¢ - 6¢ " 36¢ " 45¢ - 8¢ " 46¢ up - 10¢ "  Other tobacco products	Cigarettes $-2/5$ of 1¢ each  Cigars $-$ from 4¢ to 9¢ $-$ 1¢ each  10¢ to 15¢ $-$ 2¢  16¢ up $-$ 1¢ additional tax for each additional 5¢ on retail price.  Other tobacco products 20% of retail price.	Cigarettes — 4/10 of 1¢ each Other tobacco products — 10% of retail price.	each Cigars - 1¢ for each 5¢ or part thereof Other tobacco products-	each
8	Comments	There are certain exemptions on tobacco purchases by bonafide tourists and for other categories such as ships stores. There is no tax on a plug of tobacco.	Rates are effective March 20, 1968.	Effective April 4, 1969, the tax on cigarettes increased from 1/10 to 4/10 of 1¢ per cigarette, and the tax on other tobacco products is increased from 5% to 10% of retail price.  Taxes levied under this Act are used in providing health services (hospital benifits, medical care, etc.) for residents of province.	Rates are effective April 1, 1969.	No tax is levied on leaf tobacco or on cigars sold at 5¢ each, or less.

TABLE 5. Miscellaneous Provincial Taxes - Continued

TABLE 5. Miscellaneous Provincial Taxes - Continued							
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No
The Race Tracks Tax Act; R.S.O. 1960, c 341, and amend- ments.	The Amusements Act; R.S.M. 1954, c4, and amendments.	The Horse Racing Regulation Act; R.S.S. 1965, c 384, and amendment.	The Amusements Act; R.S. 1955, c 13, and amendments.		-	-	1
ari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting			2
7%	10%	10%	5%	12%			3
Offective March 13, 1968 the rate increased to 7% from 6%.	-	Under the provisions of Bill 68 (1968) the rate was increased to 10% from 5%.	-	-			4
The Tobacco Tax Act, 1965; c 130, and amendments.	The Tobacco Tax Act; 1963, c 88 and amendments.	The Tobacco Tax Act; R.S.S. 1965, c 68, and amendments.	Tobacco Tax Act		-	-	5
By cigarette; by retail price of cigars; by weight for other to-bacco products.	By cigarette; by retail price of cigars; by weight for other manufactured tobacco.	By cigarette according to length; by retail price of cigars and by weight for other tobacco products.	By cigarette; by retail price of cigars and by weight for tobacco (including plugs and snuff).				6
each  Digars - ½ of 1¢ each for every 5¢ (or part	each Cigars from: 7¢ - 1¢ each 8¢ to 12¢ - 2¢ " 13¢ " 17¢ - 3¢ " 18¢ " 22¢ - 4¢ "	Cigarettes up to 85 millimeters long — 8/25 of 1¢ each Cigarettes over 85 millimeters long — 9/25 of 1¢ each Cigars from: 7¢ — 1¢ each 8¢ to 15¢ — 2¢ " 16¢ " 25¢ — 4¢ " 26¢ " 35¢ — 6¢ " 36¢ " 45¢ — 8¢ " over 45¢ — 10¢ " Other tobacco — 2¢ per ½ oz. or fraction thereof.	7¢ rless - 1¢ each 8¢ to 15¢ - 2¢ " 16¢ " 22¢ - 3¢ " 23¢ " 32¢ - 5¢ " 33¢ " 42¢ - 7¢ " over 43¢ - 9¢ " Tobacco - 64¢ per pound.				7
The rate on cigarettes increased to 2/5 of 1¢ each from 3/10 of 1¢ each effective March 5, 1969. Rates on cigars and other tobacco products are effective March 13, 1968.		The above-quoted rates are effective March 1, 1968.	The Tobacco Tax Act became effective June 30, 1969.				8

TABLE 5. Miscellaneous Provincial Taxes - Concluded

27.		Newfoundland	Prince Edward Island	Nova Scotia
No.	Miscellaneous taxes			
1	Name of tax	Telegraph and wireless tax	-	Tax on long-distance telephone calls
2	Statutory authority	The Telegraph Tax Act; R.S.N. 1952, No. 33.		Corporations Tax Act; R.S. 1954, c 57, and amendments.
3	Basis	(a) by telegraph cables to places outside of the Province; and (b) by wireless station communicating with any place, ship, or vessel outside the province.		Toll charge
4	Rate	(a) \$4,000 per cable (max. tax \$20,000); (b) \$4,000 per station. (See comment.)		5¢ for each 50¢ toll charge or part thereof
5	Comments			Tolls under 25¢ are exempt.
6	Name of tax	Business Tax	Tax on alcoholic beverages	-
7	Statutory authority	_	The Health Tax Act; R.S.P.E.I. 1951, c 71, and amendments	
8	Basis	Registration fee for every company	Retail price	
9	Rate	\$100.00 per year	10%	
10	Comments	Formerly \$5.00 per year	Retail sales are made through provincial government liquor stores	
11	Name of tax	-	_	-
12	Statutory authority			
13	Basis			
14	Rate			
15	Comments			

TABLE 5. Miscellaneous Provincial Taxes - Concluded

Quebec	Ontario	Saskatchewan	Alberta	Yukon Territory	No
Telecommunications	-	Medical care insurance	Fur tax	Fur Tax	1
lecommunications Tax Act; 1965, c 28.	-	The Saskatchewan Medical Care Insurance Act; R.S.S. 1965, c 255, and amend-	The Game Act; R.S. 1955, c 126, and amendments.	Fur Fxport Ordinance; R.O. 1958, c 49, and amendments.	
ce of telecommunication		ments. Annual premiums	Per pelt	Per pelt	3
8%		Single — \$12.00 Family — \$24.00	Various	Various	1
te increased from 6% effective March 17, 1967. Applicable to long distance tele- phone calls, telegrams and other telecom- nunications.		In addition to the annual premium, utilization fees (introduced in 1968) are made at the following rates: \$1.50 per visit to a physician's office, \$2,00 per other type of visit by a physician.	Rates are established by regulations with a range from 2¢ to \$1.25 per pelt.	Rates are established by regulations with a range from 1¢ to \$5.00 per pelt. Effective April 4, 1968.	
Meals and lodging tax	Land transfer tax	Motor vehicle insurance tax	Bus mileage tax	Alcoholic beverages tax	6
als and Hotels Tax Act; 1965, c 30.	The Land Transfer Tax Act; R.S.O. 1960, c 205, and amendment.	The Motor Vehicle Insurance Premiums Tax Act, 1967; c 19.	The Public Service Vehicles Act; R.S. 1955, c 265, and a- mendments.	Liquor Ordinance; R.O. 1958, c 67, and amend- ments.	7
meals priced at \$1.25 and over; on alco- polic beverages and on price of lodging.	Purchase price	Premium income	By passenger mile	By the bottle, flask, or gallon.	8
	Up to \$25,000 — 1/5 of 1% \$25,000 and over — 2/5 of 1%	1%	2/15 of 1¢ per pas- sengermile on hard surface roads; 2/45 of 1¢ per passenger mile on gravel roads.	bottles of beer	
e increased to 8% from 6% effective April 5, 1967.	-	-	-	Rates are effective January 23,	10
Security transfer tax	Security transfer tax	_	_	1968.	11
urity Transfer Tax Act; R.S. 1964, c 77, and amendments.	The Security Transfer Tax Act; R.S.O. 1960, c 364.				12
e price of securities transferred	Sale price of securities transferred				13
ue under \$1     1/10 of 1% per share       '\$ 1 to \$ 5     ½¢       '5 '' 25     1¢       '25 '' 50     2¢       '50 '' 75     3¢       '75 '' 150     4¢       '' over \$150     4¢	Bonds and debentures, $3\phi$ per \$100 or fraction thereof, of par value Shares sold, transferred or assigned: Value under $\$1 - 1/10$ of $1\%$ of value $\$1 + 1/10$ of $1\%$ of value $\$1 + 1/10$ of $1\%$ of value $\$1 + 1/10$ of $1\%$ of $1\%$ of value $\$1 + 1/10$ of $1\%$ or $1$				14
urities issued by a municipal corporation r a school board and securities guaranteed s to principal and interest by the government of Canada or by the government of a rovince of Canada or by a municipal cororation or school board in Quebec are exmpt.	-				15



# PART IV

REAL PROPERTY TAXES



#### **PROVINCIAL**

Provincial property taxes are levied by New Brunswick at the rate of 1½ p.c. of market value assessment on all land and buildings in the province; a similar tax on business occupancy is also levied. The revenue from these sources is used to finance education, health, welfare and justice services which, until January 1, 1967, were the responsibility of New Brunswick municipalities. (See Table 6, page 38).

Certain other provinces also impose property taxes which are not significant from a revenue stand-point, and are not included in Table 6; however, the following are some brief comments thereon.

Nova Scotia imposes a "land tax" but it is of limited application. In unorganized (non-municipal) areas, the Province of Ontario levies a property tax of 1½ p.c. of assessed value with a minimum annual tax of \$6.00 in respect of any land. British Columbia also imposes a property tax in unorganized (non-municipal) areas at varying rates ranging from 1½ p.c. of the assessed value of farm land, to 7 p.c. for (operating) coal land. Under the Taxation Ordinance, Yukon Territory levies a property tax on the "fair value" assessment on all real property (non-municipal) at a rate determined annually for territorial purposes.

#### MUNICIPAL

The principal revenue-producing tax available to municipalities is that levied on real property situated within their jurisdictions. The real property tax rate is expressed in mills per dollar (or dollars per \$100) of the assessed value of the property. Methods of assessing real property vary widely, but assessed values are usually related to market value, which may be either that current at the time of assessment, or be based on that prevailing at the time of the last general assessment of the particular municipality. In addition, land may be assessed in a different manner from buildings thereon. In 1969, real property taxation is estimated to produce 91 p.c. of all revenue derived by Canadian municipalities from general taxation.

Most municipalities also levy a business tax on the owners or operators of business. Businesses are assessed at a fraction of the assessment of, or at the annual rental value of, or on the area occupied by, their premises. In 1969 business taxes are estimated to produce 7.6 p.c. of total municipal general taxation. Business taxes should not be confused with business licences imposed in addition by many municipalities; however, some municipalities impose such licences in place of business taxes, while, notably in Newfoundland, other municipalities levy business taxes, usually in fixed amounts, in lieu of licences.

The remaining 1.4 p.c. of municipal general tax revenue is raised through personal taxes. Here again methods of assessment, and, also, the determination of taxable personal property, vary widely. The poll tax, which was formerly of some significance, has now almost disappeared, nor do any municipalities now impose a sales tax.

Table 6 on pages 38 to 40 deals with general real property taxation in selected Canadian municipalities. In previous issues of this publication, the mill rate (or rates) was shown for each selected municipality; in this issue, the percentage relationship of annual general taxation on real property to the 1969 market value of that property is shown. This relationship was determined from a survey requesting details on the amount of real property tax payable on a property comprising land and buildings of a given market value. The details reported were thus in the nature of a generalization but the resulting percentages can be regarded as representative for the municipalities selected. This tax-market value relationship obviates many of the difficulties inherent in the use of mill rates and assessments (both highly variable factors) for comparative purposes.

In the table, the percentage relationship between real property taxation and current market value of both residential and commercial property has been broken down into the local and school tax components.

The wide divergences in the percentage relationships shown for individual municipalities in Table 6 should be viewed in the light of dissimilarities in province-to-province allocation of responsibilities between provincial and municipal governments, of variations in the levels or frequency of services provided, and of different methods of financing.

Finally, Table 6 excludes all special levies made by a municipality for services supplied to certain cadastral areas rather than throughout the municipality, for local improvements, and for services which are financed in a few instances by taxation rather than by service charges (e.g. water taxes, based on rental value of the property, in lieu of the normal charges for quantities of water consumed).

#### NOTE

Where a metropolitan or regional tax is levied, it is added to the local tax and is so indicated by an asterisk. Municipalities in Census Metropolitan Areas are listed under the name of the area; if the area is represented only by its major city, the city is indicated as the centre of a Census Metropolitan Area by a double asterisk.

TABLE 6. Real Property Taxation in Relation to Market Value by Province and Municipality

	Real property taxation as a percentage of market value					
Province and municipality		Residential		Commercial		
	Local	School	Total	Local	School	Total
			per c	ent		
Newfoundland:				00	277	1.1
Cornerbrook, city	. 82	.37	1.19	. 82	.37	1
Prince Edward Island						
Charlottetown, city	2.04		2.04	2.04		2.1
Nova Scotia;						
Halifax Census Metropolitan¹ Area:						
Halifax, city	2.12		2.12	4.38		4.0
Dartmouth, city	2.92		2.92	3.26		3.:
Sydney, city	2.84		2.84	2.84		2.:
Amherst, town	2.44		2.44	2.44		2.
Glace Bay, town	2.20		2.20	2.20		2.:
Truro, town	2.20		2.20	2.64		2.
New Brunswick:						
A provincial tax <sup>2</sup> of 1.5% is imposed on municipal ratable property to pay for the administration of education, health, welfare and justice, formerly the responsibilities of municipalities						
Saint John, city	1.06			1.06		
Campbellton, city	.71			.71		
Edmundston, city	1.07			1.07		
Fredericton, city	. 72			. 72		
Moncton, city	.75			.75		
Quebec;						
Montréal Census Metropolitan¹ Area:						
Montréal, city (May 1, 1968 to April 30, 1969)	1.39	1.39	2.78	1.56	2.46	4.
Jacques-Cartier, city	. 98	1.83	2.81	. 98	1.78	2.
Lachine, city	. 86	1.43	2.29	. 86	2.44	3.
LaSalle, city	1.72	1.43	3.15	1.71	2.32	4.
Montréal North; city	. 99	1.23	2.22	. 99	2.16	3.
Outremont, city	1.52	1.58	3.10	1.52	1.58	3.
Pointe Claire, city	.77	1.49	2.26	.77	1.49	2.
St. Laurent, city	. 76	1.48	2.24	.76	2.59	3.
Verdun, city	1.04	1.48	2.52	1.04	2.52	3.
Westmont, city	1,37	1.41	2.78	1.37	2.46	3.
Mount Royal, town	. 98	1.52	2.50	. 98	2.65	3.
Québec Census Metropolitan¹ Area:						
Québec, city	. 94	1.56	2.50	. 94	1.85	2.
Lévis, city	.71	1.53	2.24	. 71	1.53	2.
Sillery, city	. 55	1.47	2.02	. 55	1.92	2.
Chicoutimi, city	1.10	1.67	2.77	1.10	1.67	2.
Granby, city	1.39	1.51	2.90	1.39	1.51	2.
Hull, city (May 1, 1968 to April 30, 1969)	1.18	1.36	2.54	1.22	1.42	2.
Joliette, city	.98	1.36	2.34	. 98	1.36	2.
Jonquière, city	. 35	1.56	2.41	. 85	1.56	2.
Rouyn, city	1.24	1.61	2.85	1.24	1.61	2.
St. Hyacinthe, city	1.20	1.53	2.73	1.20	1.53	2.
St. Jérome, city	1.37	1.29	2.66	1.37	1.29	2.
Salaberry-de-Valleyfield, city	. 61	1.33	1.94	.61	1.33	1.
Shawinigan, city	. 99	1.71	2.70	. 99	1.71	2.
Sherbrooke, city	.60	1.13	1.73	.72	1.36	2.
Trois-Rivières, city	1.45	1.93	3.38	1.87	1.93	3.

See footnote(s) at end of table.

TABLE 6. Real Property Taxation in Relation to Market Value by Province and Municipality - Continued

Province and municipality	Residential			percentage of market value		
	Local		manal	T )	Commercial	
	Local	School	Total per c	Local	School	Total
ario:	1	1	per e		1	
Coronto Census Metropolitan¹ Area:						
Toronto, city*	1.03	1.08	2. 11	1.85	1.90	3.7
Etobicoke, borough*	. 89	1. 08	1.97	1. 42	2. 14	3. 5
Scarborough, borough*	. 99	1. 10	2. 09	1.78	1. 95	3. 7
York, borough*	1. 01	1.08	2. 09	1.80	1.90	3. 7
York East, borough:		4 05				
East York*	. 86	1.07	1.93	1. 56	1. 89	3. 4
York North, borough*	.83	1. 10	1. 93	1. 55	1.94	3.4
amilton Census Metropolitan¹ Area:						
Hamilton, city	1.14	1. 09	2. 23	2. 29	2. 18	4.4
Burlington, town*	1.21	1.25	2. 46	1.60	1.72	3. 3
ondon Census Metropolitan¹ Area:						
London, city	1.72	1.51	3, 23	1.88	1. 68	3. 5
Westminster, twp.	. 71	. 96	1.67	. 80	1. 07	1.8
Ottawa Census Metropolitan¹ Area:						
Ottawa, city*	1. 18	1. 61	2.79	1.33	1.79	3. 1
Vanier, city*	1, 53	1. 24	2, 77	1. 53	1. 49	3.0
Barrie, city	1. 26	1. 29	2. 55	1.39	1. 43	2.8
Belleville, city	1.94	1. 13	3.07	2. 12	1. 26	3.3
Brantford, city	1. 78 1. 15	1. 25	3. 03 2. 38	1. 33	1. 36	2.6
Brockville, city	1. 56	1. 38	2. 94	1. 76	1.51	3, 2
Cornwall, city	1.80	1. 90	3.70	2. 05	2. 11	4. 1
Fort William, city	1.81	1.52	3. 33	2. 84	2. 38	5. 2
Galt, city	1. 45	1.15	2.60	1. 59	1. 27	2. 8
Guelph, city	1.51	1. 00	2. 51	1. 64	1.12	2. 7
Singston, city	1. 28	1. 20	2. 48	1.85	1.77	3. 6
itchener, city**	1. 10	1. 02	2. 12	1.70	1. 58	3. 2
liagara Falls, city	1. 13	1. 17	2.30	1.77	1.82	3.5
forth Bay, city	1.07	1.60	2. 67	1.48	2.13	3.6
Oshawa, city	1.70	1. 21	2. 91	1.83	1.34	3. 1
Owen Sound, city	1.60	1.41	3.01	1. 77	1.55	3.3
eterborough, city	1.42	. 84	2. 26	1. 57	1.54	3. 1
Port Arthur, city	1.62	1.41	3.03	1.83	1. 56	3. 3
t. Thomas, city	2.08	1.59	3.67	2. 28	1.76	4. 0
arnia, city	1. 46	1. 29	2.75	1.75	1.56	3.3
ault Ste. Marie, city	1.59	1.46	3.05	1.76	1.62	3. 3
tratford, city	1.96	1. 23	3. 19	2. 13	1.37	3. 5
udbury, city**	1. 12	1. 54	2. 66	1. 57	2. 17	3.7
Velland, city	1.54	1. 36	2. 90	1.71	1. 90	3.6
/indsor, city**	1.29	1.09	2.38	1. 42	1. 22	2. 6
/oodstock, city	1. 15	1. 24	2.39	1.65	1.78	3.43
immins, town	1. 44	1.49	2.93	1. 68	1.66	3. 3
nitoba:						
/innipeg Census Metropolitan¹ Area:						
Winnipeg, city*	1. 53	1. 14	2.67	1. 56	2. 10	3. 60
East Kildonan, city*	1. 28	1. 31	2.59	1. 31	2.32	3. 63
St. Boniface, city*:						
St. Boniface school division	1. 25	1. 19	2. 44	1. 28	2. 20	3.48
Norwood school division	1. 25	1.04	2. 29	1. 28	2.04	3. 32
St. James, city*	. 91	1.05	1.96	. 95	2.05	3.00
St. Vital, city*	1.08	1.35	2. 43	1.10	2. 28	3. 38
Transcona, city*	1. 13	1.05	2.18	1. 16	1.92	3.08
West Kildonan, city*	1. 22	1.23	2. 45	1.20	2. 25	3. 45
Fort Garry, Rural Municipality (Suburban)*	1.21	1. 18	2.39	1. 25	2.05	3. 30
	1. 36	. 65	2.01	1.63	1.58	3. 21

See footnote(s) at end of table.

TABLE 6. Real Property Taxation in Relation to Market Value by Province and Municipality - Concluded

		Real propert	y taxation as a pe	ercentage of mark	ket value	
Province and municipality	Residential			Commercial		
	Local	School	Total	Local	School	Total
		<u> </u>	per ce	ent		
Saskatchewan:			1	1		
Moose Jaw, city	1.30	1.50	2.80	1.54	1.77	3.3
North Battleford, city	1.23	1.74	2.97	1.75	2.00	3.7
Regina, city**	1.07	1.14	2.21	1. 11	1.18	2.29
Yorkton, city	.64	1.52	2.16	.67	1.58	2.25
Alberta:						
Calgary, city**	.87	1.61	2.48	. 91	1.67	2.5
Edmonton, city**	.70	1.49	2.19	. 81	1.74	2.5
Grande Prairie, city	1.17	1.53	2.70	1.36	1.78	3.1
Lethbridge, city	1.13	1.68	2.81	1.19	1.78	2.9
Medicine Hat, city	.40	1.79	2. 19	. 41	1.84	2.2
Red Deer, city	1.18	1.48	2.66	1.23	1.56	2.7
British Columbia:						
Vancouver Census Metropolitan¹ Area:						
Vancouver, city	1.28	1.14	2.42	1.25	1.11	2.3
New Westminster, city	1.07	1.10	2.17	.94	.96	1.9
North Vancouver, city	1.07	1.51	2.58	. 98	1.47	2.4
Burnaby, district	1.33	1.26	2.59	1.30	1.22	2.5
Coquitlam, district	1.49	1.43	2.92	2.47	2.36	4.8
North Vancouver, district	. 96	1.32	2.28	. 88	1.28	2.1
Richmond, district	1.51	1.05	2.56	1.46	1.02	2.4
Surrey, district	1.09	1.20	2.29	1.07	1.17	2.2
West Vancouver, district	1.27	. 40	1.67	.88	1.21	2.0
Victoria Census Metropolitan¹ Area:						
Victoria, city	1.65	1.27	2.92	1.61	1.24	2.8
Esquimalt, district	1.03	. 93	1.96	1.01	. 91	1.9
Oak Bay, district	. 97	. 86	1.83	. 98	. 88	1.8
Saanich, district	1.03	. 97	2.00	1.02	. 95	1.9
Dawson Creek, city	1.37	1.26	2.63	1.34	1.23	2.5
Kamloops, city	1.80	1.65	3.45	1.75	1.61	3.3
Kelowna, city	1.50	1.25	2.75	1.46	1.22	2.6
Nanaimo, city	1.93	1.50	3.43	1.89	1.46	3.3
Penticton, city	1.15	1.28	2.43	1.07	1.25	2.3
Prince George, city	1.84	1.29	3.13	1.72	1.26	2.9
Prince Rupert, city	1.50	1.13	2.63	2.48	1.86	4.3
Trail, city	1.79	1.33	3.12	1.68	1.29	2.9
Vernon, city	1.71	1.46	3.17	1.67	1.42	3.0
Yukon Territory:						
Dawson, city	2.99	1.22	4.21	2.99	1.22	4.2
Whitehorse, city	1.20	. 96	2. 16	1.20	. 96	2. 1
Northwest Territories:						
Hay River, town	0.50	07	2 40			
	2.53	. 87	3.40	1.27		
Yellowknife, town	1.87	2.26	4.13			

 $<sup>^{\</sup>rm 1}$  Census Metropolitan Areas, see page 37 for explanation.  $^{\rm 2}$  See commentary page 37.





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# PRINCIPAL TAXES AND RATES

FEDERAL, PROVINCIAL AND SELECTED MUNICIPAL GOVERNMENTS

1970



DOMINION BUREAU OF STATISTICS



#### DOMINION BUREAU OF STATISTICS

Governments Division

## PRINCIPAL TAXES AND RATES

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1970

Published by Authority of The Minister of Industry, Trade and Commerce

November 1970 8502-504

Price: 75 cents

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### TABLE OF CONTENTS

Introduction and General Commentary	age 5
PART I. Income, Gift and Estate Taxes and Succession Duties	
Table Table	
1. Income, Gift and Estate Taxes levied by the Government of Canada	10
2. Income Tax and Succession Duties levied by Provinces	12
PART II. Customs Duties, Excise and General Sales Taxes	
3. Customs Duties, Excise and General Sales Taxes levied by the Government of Canada	19
4. General Sales Tax levied by the Government of Canada and the Provinces	20
PART III Miscellaneous Provincial Taxes	
5. Miscellaneous Provincial Taxes:	
Amusement Tax	24
Fuel Tax	24
Motor vehicle licences and fees	26
Insurance Tax (fire and life)	26
Insurance Tax (hospital and medicare)	28
Logging Tax	30
Mining Tax	30
Race Track Tax	32
Tobacco Tax	32
Miscellaneous Taxes (alcoholic beverages tax, land transfer tax, meals and lodging tax, security transfer tax, telecommunications taxes, etc.)	34
PART IV. Real Property Taxes	
6. Real Property Taxation in Relation to Market Value by Province and Municipality	40



#### INTRODUCTION

This publication is the nineteenth in the annual series "Principal Taxes and Rates". The purpose of the report is to present concise data on the more important revenue-producing taxes imposed in Canada.

The format of this edition has been designed to facilitate comparisons of like taxes in different jurisdictions.

The publication is divided into four parts, as follows:

Part I: Income, gift and estate taxes and succession duties, levied by federal and provincial governments.

Part II: Custom duties, excise and general sales taxes.

Part III: Other important taxes and rates levied by provincial and territorial governments.

Part IV: Real property taxation expressed as a percentage of market value for selected municipalities in Canada.

All quoted taxes and rates are those that were announced prior to July 31, 1970.

#### **GENERAL COMMENTARY**

Canada is a federal state with a central government and ten provincial governments. In 1867 the principal colonies of the British Crown in North America joined together to form the nucleus of a new nation, and the British North America Act of that year became its written constitution. This statute created a central government with certain powers while continuing the existence of political subdivisions called provinces with powers of their own.

Under the British North America Act the Parliament of Canada has the right to raise "money by any mode or system of taxation" while the provincial legislatures are restricted to "direct taxation within the province in order to the raising of a revenue for provincial purposes". Thus the provinces have a right to share only in the field of direct taxation while the federal government is not restricted in any way in matters of taxation. The British North America Act also empowered the provincial legislatures to make laws regarding "municipal institutions in the province". This means that municipalities derive their incorporation with its associated powers, fiscal and otherwise, from the provincial government concerned. Thus, municipalities are also limited to direct taxation.

A direct tax is generally recognized as one "which is demanded from the very person who it is intended or desired should pay it". This concept has limited the provincial governments to the imposition of income tax, retail sales tax, succession duties and an assortment of other direct levies. In turn, municipalities, acting under the guidance of provincial legislation, tax real estate, water consumption and places of business. The federal government levies direct taxes on income, on gifts, and on the estates of deceased persons and indirect taxes such as excise taxes, excise and customs duties, and a sales tax.

The increasing use by both the federal and the provincial governments of their rights in the field of lirect taxation in the 1930's resulted in duplication of administration and in some severe tax levies. In 1941, a ederal-provincial tax-sharing agreement was concluded o help finance the war effort. Its principal aim was to insure an orderly imposition of direct taxes. The success

of this initiative was such that a similar scheme was worked out between the federal government and most of the provinces after the end of the war. Since then, tax-sharing agreements have been periodically negotiated between the two levels of government, normally for five-year periods. Under the earlier agreements the participating provinces undertook, in return for compensation, not to impose, or permit their municipalities to use, certain of the direct taxes. Under the present arrangements the federal income tax otherwise payable in all provinces and the estate tax otherwise payable in three provinces are abated by certain percentages to facilitate the imposition of provincial levies.

The current arrangements became operative on April 1st, 1962 and were originally scheduled to terminate on March 31st, 1967; they have, however, been extended indefinitely, subject to termination on due notice. They amount to a partial federal withdrawal from the field of direct taxation and a re-entry of all provinces into the vacated area. The federal personal income tax otherwise payable on income earned in a province and on income received by residents of all provinces (except Quebec) is reduced by:

16 p.c. for the 1962 taxation year

17 p.c. for the 1963 taxation year

18 p.c. for the 1964 taxation year 21 p.c. for the 1965 taxation year

24 p.c. for the 1966 taxation year

28 p.c. for the 1967 and subsequent taxation years.

The tax abatements in respect of income earned in Quebec or received by a resident of Quebec are 44 p.c. for the 1965 taxation year, 47 p.c. for the 1966 taxation year and 50 p.c. for the 1967 and subsequent taxation years.

The federal government also reduces its rate of corporation income tax on the taxable income of corporations earned in the provinces. The reduction was 9 p.c. of taxable income earned in any province except Quebec and 10 p.c. of taxable income earned in Quebec for the years 1962 to 1966 inclusive. The additional 1 p.c. reduction in respect of taxable income earned in the province of Quebec for these years was to compensate for the additional tax levied by the province during this

period on corporation income to provide grants to universities. These provincial grants replaced federal government grants which in other provinces were paid to the universities by the federal government through the Canadian Universities Foundation. For 1967 and subsequent years, with the termination of direct federal financial assistance to universities, the abatement of the federal rate of corporation income tax is 10 p.c. of taxable income in all provinces.

The federal government also abates the federal estate tax otherwise payable by 75 p.c. in respect of property situated in a province which levies its own death tax.<sup>1</sup> Only Ontario, Quebec and British Columbia presently levy death taxes in the form of succession duties,

These reductions in federal income tax and estate tax do not apply to the Yukon or the Northwest Territories or to income earned outside Canada. The Yukon and Northwest Territories do not impose income or inheritance taxes.

The provincial tax rates are not restricted to the extent of the federal withdrawal. The constitutional position of the provinces permits them unlimited use of direct taxes for the raising of revenue for provincial purposes. In four provinces (Prince Edward Island, Nova Scotia, Ontario and British Columbia) the provincial rates of personal income tax are equal to the federal abatement; in five provinces (Newfoundland, New Brunswick, Manitoba, Saskatchewan and Alberta) the federal abatement is exceeded; and Quebec, which has no personal income tax collection agreement with the federal government, administers its own personal income tax under a rate schedule which is structured to give effect to the 50 p.c. federal abatement.

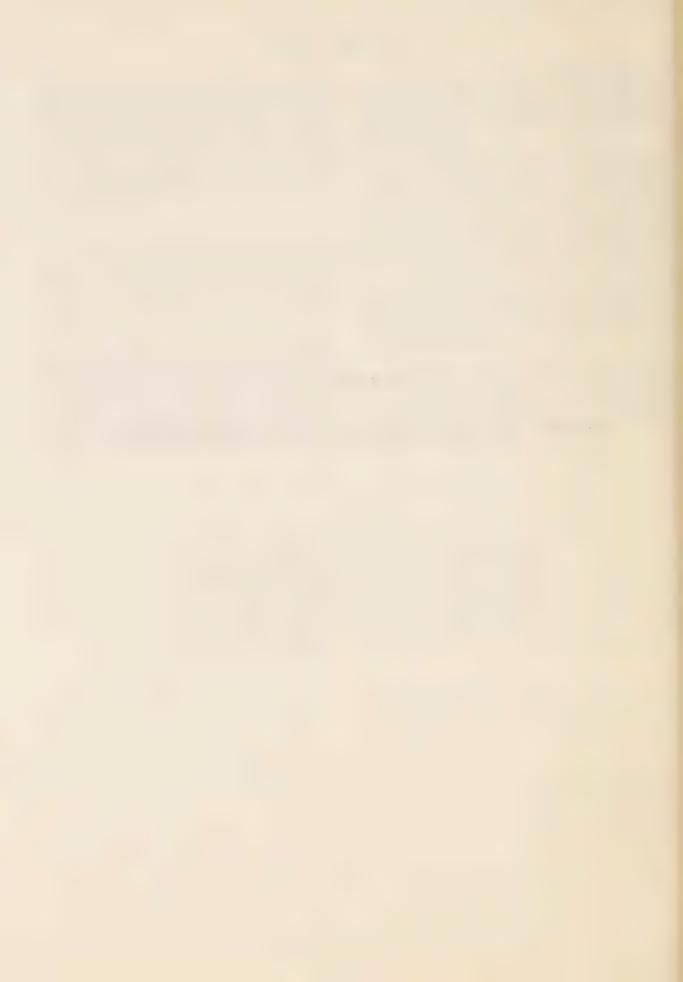
As part of the current fiscal arrangements the federal government has entered into tax collection agreements under which it collects the provincial personal income taxes for all provinces except Quebec, and the provincial corporation income taxes for all provinces except Ontario and Quebec.

#### NOTE

In the tables following, the statutory authority, under which taxes are levied at the federal and provincial levels of government, has been indicated. The proper name of the statute or revised statute is ended by a semi-colon. Following in order, are the year during which the statute or revised statute was published, its chapter, and a statement as to whether there have been subsequent amendments to it; i.e. Income Tax Act, 1961; 1961, c 8, and amendments.

<sup>&</sup>lt;sup>1</sup> The original agreement was for a 50 p.c. abatement. However, at the conclusion of a federal provincial conference in late 1963, it was increased to 75 p.c. in respect of deaths occurring after March 31, 1964. Currently only the estates of domiciliaries of British Columbia qualify for the full 75 p.c. abatement. Quebec and Ontario estates are temporarily eligible for only 50 p.c. because these two provinces have elected for the time being to take a payment from the federal government on account of the additional 25 p.c. abatement rather than to increase their succession duty rates.

# PART I INCOME, GIFT AND ESTATE TAXES AND SUCCESSION DUTIES



#### INCOME TAX - FEDERAL

Under the Income Tax Act of Canada, tax is levied on the taxable income of individuals and corporations resident in Canada and on the taxable income of non-residents employed or carrying on business in Canada at any time during the year. A withholding tax at the rate of 15 p.c. is levied on dividends, interest (other than interest on bonds of, or guaranteed by, a Canadian government and issued after April 15, 1966, interest on certain bonds issued before December 20, 1966, and interest paid to certain exempt lenders) and similar payments from persons in Canada to non-residents. This tax is 10 p.c. on dividends paid by companies which have a "degree of Canadian ownership". The Income Tax Act also imposes a tax on the taxable value of gifts made in the year. Canada has entered into income tax conventions with fifteen countries in order to avoid double taxation and to prevent fiscal evasion. In addition to being subject to the standard income tax, the taxable income of individuals bears old age security and social development taxes and the taxable income of corporations bears old age security tax.

For the 1970 taxation year, under the terms of the current federal - provincial fiscal arrangements, the federal government reduces its "basic tax" for individuals who reside or earn income in a province other than Quebec by 28 p.c. This reduction is 50 p.c. for individuals who reside

or earn income in Quebec. The higher federal abatement for individuals in Quebec is to permit that province to levy its own taxes to raise revenue necessary to pay for the full cost of certain programs which are paid for in part by the federal government in other provinces. The federal government also reduces its corporation income tax otherwise payable by 10 p.c. of taxable income earned in a province.

The temporary surtaxes of 3 p.c. on "basic" personal income tax in excess of \$200 and 3 p.c. on the taxable income of corporations first imposed in 1968 are still applicable in 1970.

The 1970 budget was presented to Parliament on March 12, 1970 and proposed very few changes in federal taxation. One announcement of note concerned the extension to the end of 1971 of the two-year post-ponement of capital cost allowances for commercial buildings erected in certain urban areas of Ontario, Alberta and British Columbia. This measure had been introduced by the 1969 budget and was originally scheduled to terminate with 1970. Another announcement of importance was to the effect that the accelerated capital cost allowance program for structures and equipment acquired to prevent or reduce water pollution would be extended to the end of 1973 and that it would be broadened to include assets acquired primarily for the purpose of preventing or reducing air pollution.

<sup>&</sup>lt;sup>1</sup> For the definition of "basic tax" see Table 1 footnote 1 on page 11.

TABLE 1. Income, Gift and Estate Taxes levied by the Government of Canada

Category	Statutory authority	Basis of measurement of tax	Rate	Exemptions, deductions, tax credits, etc.
Income tax	Income Tax Act; (Part I), R.S. 1952, c 148, and amendments	Taxable income of individuals	Personal income tax schedule:  11% on first \$1,000 of taxable income  \$ 110 on \$ 1,000 plus 14% on next \$ 1,000 conditions	Main exemptions and deductions from to income to arrive at 'taxable income''s For single status
			3%	received from Canadian tax-paying con rations.  The "basic" personal income tax liabil of an individual who is a resident of province other than Quebec is abated 28%; that of an individual resident Quebec is abated by 50%. In addition, further "tax cut" of 20% of basic tax1 (mam wm \$20) is provided as a tax reduct by the federal government to all taxpayers.
	Income Tax Act (Part IA)	"Basic" personal income tax in excess of \$200	applicable only in respect of 1968, 1969, and 1970 taxable income)	
	Income Tax Act (Part I)	Investment income from sources outside Canada	4% of "basic" personal income tax	Deductions from total investment incom \$2,400 or the total of personal exemption whichever is greater plus allowable chatable donations and medical expenses. Excludes rental income from real property.
	Income Tax Act (Part IB) (Social Development tax)	Taxable income of individuals	2% of taxable income with maximum of \$120	
	Old Age Secu- rity Act; R.S. 1952, c 200, and amendments	Taxable income of individuals	4% of taxable income with maximum of \$240	
	Income Tax Act (Parts I and II) and Old Age Security	Taxable income of cor- porations resident in Canada or doing busi-	(a) 21% (including Old Age Security Tax of 3%) of the amount taxable, if the amount taxable does not exceed \$35,000 and (b) \$7,350 plus 50% (including Old Age Security tax of 3%) of the amount by which the amount taxable exceeds \$35,000	Corporations are allowed a tax credit equation 10% of their taxable earnings in a province. <sup>2</sup>
	Income Tax Act (Part 1A)	Corporation income tax ex- clusive of old age secu- rity tax but before federal abatement <sup>3</sup>	(applicable only in respect of 1968, 1969, and 1970 taxable income)	
Withholding tax	Income Tax Act (Part III)	On certain payments and credits to non-residents	10% on dividends paid to non-residents by corporations "having a degree of Canadian ownership" (25% of voting equity stock) and on rentals of motion picture films and TV tapes; 15% on interest, dividends, management fees, rents, royalties, alimony, patronage dividends and in all other instances	Interest on bonds or obligations issuafter April 15, 1966 by the Government Canada or any of the provinces, by a agent of a province, educational institution of hospital with provincial guarantee or any municipal or local government estilished under provincial law.  Interest on certain bonds issued beforement 20, 1960.  Interest payments to non-residents who exempt from income tax in own coun
	Income Tax Act (Part III)	Profits of non-resident cor- porations carrying on business in Canada	15%	of residence.  Deductions from taxable income earned Canada: Federal and provincial income taxes. allowance in respect of net increases
Gift tax	Income Tax Act (Part IV)	Cumulative total of taxable part of all gifts (i.e. the aggregate of the taxable values of all gifts made after October 22, 1968, up to the end of the year for which tax is being calculated)	The rates of tax range from 12% on a cumulative gift sum of \$15,000 or less, to 75% where the cumulative gift sum exceeds \$200,000. The tax so computed is reduced by the amount determined by applying the rates to the cumulative gift sum for the immediately preceding taxation year.	capital investment in property in Canada.

TABLE 1. Income, Gift and Estate Taxes levied by the Government of Canada - Concluded

Category	Statutory authority	Basis of measurement of tax	Rate	Exemptions, deductions, tax credits, etc.
state tax		Aggregate taxable value of estate of a person dying domiciled in Canada	Estate Tax Rate Schedule:  \$ 0 on 20,000 + 15% on next 20,000 3,000 '' 40,000 + 18% '' '' 20,000 6,600 '' 60,000 + 21% '' '' 20,000 10,800 '' 80,000 + 24% '' '' 20,000 15,600 '' 100,000 + 37% '' '' 30,000 23,700 '' 130,000 + 30% '' '' 30,000 32,700 '' 160,000 + 35% '' '' 40,000 46,700 '' 200,000 + 45% '' '' 50,000 66,700 '' 250,000 + 45% '' '' 50,000 89,200 '' 300,000 + 50% '' excess	Estates whose aggregate net value do not exceed \$50,000 are not taxable. (This figure of \$50,000 is not a deductible exemption but simply an amount at or below which no tax is levied).  Main exemptions and deductions:  Bona fide debts, reasonable funeral expenses and probate fees, (but not including solicitor's charges or the expenses of administering property or executing any trust created by the deceased).  Gifts to approved charitable organizations in Canada.  Gifts to federal, provincial or municipal governments.  Outright gifts and exclusive life interests, including annuities and pensions passing to a spouse.  The exemption for bequests to adult children is the lesser of \$10,000 or the value of the bequest.  The exemption for bequests to children dependent because of age is the lesser of the value of the bequest or \$10,000 plus \$1,000 for each full year remaining until the child reaches age 26, to a maximum additional amount of \$25,000.
				The exemption for a child dependent because of infirmity is \$10,000 plus \$1,000 times the number of years until he or she reaches 71. A tax abatement of part of the federal estate tax otherwise payable in respect of property situated in a province which levies its own succession duties. See commentary.
	Estate Tax Act (Part II)	Aggregate taxable value of property situated in Canada of a person dying domiciled outside of Canada	Same Tax Rate Schedule as above	Main exemptions and deductions:  Debts specifically chargeable to the property.  A tax abatement of part of the federal tax otherwise payable in respect of property on which provincial succession duty has been paid. The Act provides that an estate of an aggregate value of less than \$5,000 be exempt and that the tax must not reduce the value of the property to less than \$5,000.

"Basic tax" is personal income tax at full graduated rates after deduction of the dividend tax credit but before abatement for provincial income tax and

cluding social development and old age security taxes.

See commentary on page 5, re Federal-Provincial Fiscal Arrangements.

See commentary on page 9 for further information.

See commentary on page 9, re income tax conventions with certain countries. Under the terms of the Canada-United States Estate Tax Convention, the amount is \$15,000, retroactive to January 1, 1959.

#### INCOME TAX - PROVINCIAL

In every province, a tax is levied on the income of dividuals who reside or, in the case of a non-resident of anada, who earn income within its boundaries. With the cception of Quebec, this tax is computed as a percentage of e federal "basic tax", and is collected by the federal govnment under agreement with the provinces. In the provce of Quebec, provincial income tax is levied at graduated tes that progress from 5.5 p.c. on the first \$1,000 of xable income to a maximum of 40.0 p.c. on the excess 100,000. Current Quebec legislation provides for a tempory surtax of 6 p.c. effective in 1968, 1969, and 1970. The etermination of taxable income for Quebec tax purposes based on exemptions and deductions which, with the exption of deductions for dependent children eligible for mily allowances,<sup>2</sup> are similar to those used for federal tax irposes. Quebec taxpayers who, if single, have a net income hich does not exceed \$2,000 or who, if married, have a et income which does not exceed \$4,000, are completely

1 For definition of "basic tax" see Table 1 footnote 1 on

<sup>2</sup> The province of Quebec has a family allowance program. The Quebec program prohich supplements the federal program. The Quebec program prodes for allowances which increase from \$30 per annum for a first vild to a maximum of \$70 per annum for a sixth and for each lditional child. The Quebec program is in lieu of exemptions for ovincial income tax purposes for children eligible for family lowances.

relieved of provincial tax. The province of Quebec collects its own tax.

Of the basic federal tax payable, provincial rates in 1970 are as follows: Manitoba, 39 p.c.; New Brunswick, 38 p.c.; Saskatchewan, 34 p.c.; Newfoundland and Alberta, 33 p.c.; Quebec, under its own rate schedule, at the equivalent of 50 p.c. plus 6 p.c. of the provincial tax payable; all other provinces, 28 p.c.

All provinces levy a tax on corporation profits derived from activities carried on within their jurisdictions. In all provinces except Ontario and Quebec, the provincial corporation tax is imposed and determined on the same basis as is the relevant federal income tax. In Ontario and Quebec the determination of taxable profits for purposes of provincial tax follows closely, but not exactly, the federal rules.

The rate of tax in the provinces is as follows: Prince Edward Island, Nova Scotia, New Brunswick and British Columbia - 10 p.c.; Saskatchewan and Alberta 11 p.c.; Ouebec and Ontario - 12 p.c.; Manitoba and Newfoundland - 13 p.c.

All provinces except Quebec and Ontario have signed agreements with the federal government for the collection of provincial corporate income taxes by the federal government.

TABLE 2. Income Tax and Succession Duties levied by Provinces

TABLE 2. Income Tax and Succession Duties levied by Florinces								
No.	Category	Newfoundland	Prince Edward Island Nova Scotia	New Brunswick	Quebec			
1	Income tax — Individuals: Statutory authority	The Income Tax Act, 1961; (2nd session), No. 1, and amend- ments.	P.E.I. — The Income Tax Act, 1961; (second session) c 1, and amendments. N.S. — Income Tax Act; RS 1967, c 134 and amendments.	Income Tax Act. 1961; 1961-62, c 2, and amendments.	Provincial Income Tax Act; R.S. 1964, c 69 an amendments.			
2 1	Basis	Taxable income of indi-	Taxable income of indi-		Taxable income of individuals			
3	Rut	viduals 33% of federal "basic tax" levied under the Income Tax Act (Ca- nada).	viduals 28% of federal ''basic tax'' levied under the Income Tax Act (Ca- nada).	viduals 38% of federal "basic tax" levied under the Income Tax Act (Ca- nada).	5.5% on first \$1,000 of taxable income \$ 55 on \$ 1,000 plus 7.0% on next \$ 1,000 125 '' 2,000 '* 8.5% '* '* 1,000 210 '' 3,000 '* 9.5% '' '* 1,000 305 '' 4,000 '* 11.0% '* '* 2,000 525 '* 6,000 '* 12.5% '' * 2,000 785 '* 8,000 '* 15 '' '' 2,000 1,085 '' 10,000 '* 17.5% '' '' 2,000 1,435 '* 12,000 '* 20 '' 3,000 2,035 '* 15,000 '' 22.5% '' '' 11,000			
The second secon					4,285 ** 25,000 ** 25 %; ** 15,000 8,035 ** 40,000 ** 27.5% ** ** 20,000 13,535 ** 60,000 ** 30 % ** ** 30,000 22,535 ** 90,000 ** 32.5% ** ** 33,000 33,910 ** 125,000 ** 35 % ** ** 100,000 68,910 ** 225,000 ** 37.5% ** ** 175,000 134,535 ** 400,000 ** 40 % on remainder and a surtax of 6% on the provincial tax payable for the tax years 1968, 1969 and 1970.  2% on investment income originating outside of Canac in excess of the greater of \$2,400 OR the total c personal exemptions.			
4	Comments	Effective July 1, 1969, the rate increased to 33%.		Effective April 1,1969, the rate increased to 38%.	Exemptions oftax are granted to everytaxpayer whos net income does not exceed \$4,000 if claimin married status (or equivalent) and \$2,000 in other cases.			
5	Income tax — Corporations.  Statutory authority	The Income Tax Act, 1961; (2nd session), No. 1, and amend- ments.	P.E.I The Income Tax Act, 1961; (second ses- sion) c 1, and amend- ments. N.S Income Tax Act;	Income Tax Act, 1961; 1961-62, c 2, and amendments.	Corporation Tax Act; R.S. 1964, c 67, and amend ments.			
			RS 1967, c 134 and amendments.					
6	Basis	Taxable income of corporations	Taxable income of corporations	Taxable income of corporations	12% — taxable income 1/5 of 1% — paid-up capital \$25 to \$50 — place of business			
7   8	Rate	13% Effective January 1, 1969 the rate increased to 13% from 12%.	10%	10%	Other rates and/or bases of taxation apply to centa classes of corporations, i.e. insurance, los navigation, telegraph, telephone, railway, natur gas, electricity, gasoline, liquor, brewery, a various public utility companies.			
,					various public durity companies.			
9	Succession duties: Statutory authority							
10	Basis	***	•••	•••	Succession Duties Act; R.S. 1964, c 70, and amen ment.			
		•••	•••	•••	Relationship; (1) Direct line (2) Collateral line (3) Strangers			
11	Rates			•••	On estate: 1.8% to 15% on direct line 4% ** 20% on collateral line 10% ** 30% on strangers			
					On individual's share in estate: 1% to 10% on direct line 1% "* 10% on collateral line 2% "* 5% on strangers			
12	Exemptions							
15	Exemptions				Direct line: Total exemption where aggregate value of estations ont exceed \$75,000, and where it is entire transmitted in direct line.			
					Where an estate is transmitted entirely in dire line, and where the value of the estate excee \$75,000, the succession duties that are paidmn not lower the value of the estate to less th \$75,000.			
					Where only part of an estate is transmitted in dire line, and where the value of that part excee \$75,000, the succession duties paid must not low the value of that part of the estate transmitted direct line to less than \$75,000.			
					The amount derived from the total contribution matowards a pension plan and the reimbursement contributions made towards such a plan are cluded from the total value of the estate.  Collateral line:			
					Aggregate value of estate not exceeding \$1,000.			

TABLE 2. Income Tax and Succession Duties levied by Provinces

TABLE 2. Income Tax and Succession Duties levied by Provinces							
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	No.		
e Income Tax Act; R.S.O. 1950, $\epsilon$ 175 and amerdments.	The Income Tax Act(Manitoba) 1961; 2nd session, c 1 and amendments.	The Income Tax Act; R.S.S. 1965, c 62 and amendments.	The Alberta Income Tax Act; 1961 (2nd session), c 1 and amendments.	Income Tax Act, 1962; c 27, and amendments.	1		
xable income of individuals	Taxable income of individuals	Taxable income of individuals	Taxable income of individuals	Taxable income of individuals	2		
of federal "basic tax" levied inder the Income Tax Act Canada).	39% of federal "basic tax" levied under the Income Tax Act (Canada).	34% of federal ''basic tax'' levied under the Income Tax Act (Canada).	33% of federal ''basic tax'' levied under the Income Tax Act (Canada).	28% of federal ''basic tax'' levied under the Income Tax Act (Canada).	3		
	Effective January 1, 1970, the rate increased to 39% from 33%.	Effective January 1, 1970, the rate increased to 34% from 33%.	The rate increased to 33% from 28% effective July 1, 1969.	Income Tax Act, 1962; c 27, and amendments.	4		
: Corporations Tax Act; R.S.O. 960, c 73, and amendments.	The Income Tax Act(Manitoba) 1961; 2nd session, c 1 and amendments.	The Income Tax Act; R.S.S. 1965, c 62 and amendments.	The Alberta Income Tax Act; 1961 (2nd session), c 1 and amendments.		5		
12% — taxable income ) of 1% — paid-up capital (minimum \$50.00)	Taxable income of corporations	Taxable income of corporations	Taxable income of corporations	Taxable income of corporations	6		
rrates and/or bases of taxation ply to certain classes of corrations, i.e. banks, telegraph, pelines, airlines, insurance, ilway and other transportation mpanies. Cive March 15, 1969, the place business taxes were repealed.	13% Effective January 1, 1970 the rate increased to 13% from 11%.	11%	11% The rate increased to 11% from 10% effective July 1, 1969.	10%	8		
Succession Duty Act; R.S. 1960, 386, and amendments.				An Act to Amend the Succession Duty Act: S.B.C. 1970, c 45	9		
tionship: Direct line Collateral line Strangers				Relationship: (1) Direct line (2) Collateral line (3) Strangers	10		
state: % to 14% on direct line % " 17% on collateral line % " 35% on strangers udividual's share in estate: % to 15% on direct line % " 13% on collateral line % " 35% on strangers and surtax on tax for direct line surtax on tax for collateral line surtax on tax for strangers				On individual's share of net value of estate: 3% to 36% on direct line 8% '' 38% on collateral line 13%% '' 40% on strangers	11		
t line — aggregate value of perty less than \$50,000.  Ateral line — aggregate value property less than \$20,000, less share of individual exceeds 0,000.  Aggregate value of property less than \$10,000.	•••			Direct line — outright collective exemption to surviving spouse and children (any age, 30.000; family home of any value, additional exemptions, family home of any value, insurance to \$25,000, and an annuity or pension of upto \$250 a month; outright collective exemption to orphan children (any age) \$50.000 and insurance to \$25,000, other direct line aggregate value of property less than \$50,000.  Collateral line—where aggregate value of property is less than \$25,000.  Strangers—where aggregate value of property is less than \$10,000.  Effective date April 1, 1970, except amendment to Section 5, retroactive to April 1, 1968.			



# PART II

CUSTOM DUTIES, EXCISE AND GENERAL SALES TAXES



# CUSTOMS DUTIES, EXCISE AND GENERAL SALES TAXES

The Government of Canada imposes a general sales tax on the price of goods manufactured in Canada and on the duty-paid value of imported goods. The rate of tax on most commodities is 12 p.c. consisting of a 9 p.c. tax levied under the Excise Tax Act and a 3 p.c. tax levied under the Old Age Security Act. These taxes are payable by the manufacturer at the time of delivery to the purchaser, or by the importer at the time of importation. Most building materials are taxed at a lower rate of 11 p.c. (8 p.c. excise tax and 3 p.c. old age security tax). Full exemption is allowed on raw materials, a wide range of production goods, and on specified categories of consumption goods and institutional purchases.

In addition to the general sales tax, special excise taxes apply to tobacco products, wines and a narrow

range of consumption goods. These taxes are imposed at the manufacturer's level; some are specific and the remainder are ad valorem.

Under the Excise Act duties are imposed on tobacco and alcoholic products (other than wine) made in Canada. Similar products of foreign origin are subject to customs tariffs of like amounts.

All provinces, except Alberta, impose a retail sales tax on a broad range of consumer goods and services purchased. The rates vary from 5 p.c. to 8 p.c. and details are given in Table 4. Other miscellaneous provincial taxes, rates and fees are summarized in Part III Table 5.



TABLE 3. Customs Duties, Excise and General Sales Taxes levied by the Government of Canada

Category	Statutory authority	Basis and r			of National Revenue.	
ustoms duties	Customs Tariff: R.S. 1952, c 60 and 316, and amend ments.	Mainly ad valorem <sup>1</sup> with some specific rates on most imported goods.				
xcise tax	Excise Tax Act; (Part I), R.S. 1952, c 99, 100, 319 and 320	Insurance companies: British or foreign companies not authorized to transact business in Canada, or non-resident agents of authorized British or foreign companies.	net premium	10%	Excluding insurance against marine risks, nuclea risks and life, personal accident or sickness insurance.	
	and amend- ments.	Tobacco <sup>2</sup> —on domestic production: Manufactured tobacco excluding cigarettes Cigarettes weighing not more than 3 lbs. per 1,000 Cigarettes weighing more than 3 lbs. per 1,000	per pound per 1,000	35¢ \$4.00 \$5.00	Not levied on imports, but the customs tariff on these products is set at a rate to take into account the duties levied on domestic production.	
		Cigars Canadian raw leaf tobacco when sold for consumption	per pound	\$2.00 10¢		
		Alcoholic products:  Domestic potable spirits on the strength of proof distilled in Canada Non-potable spirits used in the manu-	per proof gal.	\$14.25	These duties do not apply to denatured alcohol for use in the arts and industries, nor for fuel, light or powe or any mechanical purpose, nor do they apply to spirits used in the manufacture of vinegar, to certain	
		facture of: Medicines, extracts, pharmaceutical preparations, etc. Approved chemical compositions Spirits sold to druggists and used in preparation of prescriptions Imported spirits taken into bonded manu-	64	\$1.50	spirits used to treat domestic wine, and to spi used in the manufacture of toilet preparation cosmestics subject to special excise tax. The C toms Tariff applies equivalent duties on imports.	
			e c	15¢ \$1.50		
			+ f	30¢		
		factory, in addition to other duties Canadian brandy Beer	per gallon	\$12.25 42¢		
ecial	Excise Tax	Radios	per unit	Greater of \$2.00 or 15% ad valorem		
excise tax	Act; (Parts IV and V), R.S. 1952, c 100 and 320 and	Phonographs and T.V. sets Tubes for radios, T.V., and phonographs of a selling price or duty-paid value up to \$5 (ex. cathode raytubes)	ad valorem¹ per unit	15% 10¢		
	amend- ments.	Cathode raytubes	ad valorem	15%		
		Jewellery, clocks, watches Toilet articles and cosmetics	5 ¢	10% 10%		
		Playing cards	per pack	20¢		
		Tobacco and smoker's accessories: Cigarettes Cigars Matches Lighters Cigarettes holders, pipes, etc.	per 5 ad valorem per unit ad valorem	3¢ 17½% 10% 10¢ 10%		
		Tobacco - manufactured Wines:	per pound	90¢	Excluding imports. Customs duties on imports are se	
		Wines of all kinds containing 7% or less of absolute alcohol by volume	per gallon	25¢	to take into account the taxes levied on domesti production of wines.	
		Non-sparkling wines containing more than 7% of absolute alcohol by volume	**	50¢	p. Osacron of Associ	
		but not over 40% of proof spirits Champagne and sparkling wines	**	\$2.50		
		Additional levy on wines: Wines of all kinds containing 7% or	per gallon	21/2¢	This levy applies equally to domestic and importe	
		less of absolute alchohol by volume All other wines	44	5¢	wines.	

<sup>1</sup> An "ad valorem" tax is levied as a percentage of the value of the goods, which, for tax purposes, includes customs duties in respect of imported goods dexcise duties in the case of tobacco and alcoholic products manufactured in Canada. Where an article is subject to the general sales tax and to the special cise tax, both taxes apply separately to the same value.

2 Bringing together the taxes imposed on tobacco products under the Excise Tax Act and the duties imposed under the Excise Act, the total taxes on the llowing tobacco products are:

Cigarettes - \$1.0.00 per thousand (or 20¢ per pack of 20 cigarettes) plus the 12% sales tax at the manufacturer's level.

Manufactured tobacco - \$1.25 per pound plus the 12% sales tax at the manufacturer's level.

Cigars - \$2.00 per thousand plus the 17½ p.c. special excise tax and the 12 p.c. sales tax on the manufacturer's sale price.

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TABLE 4. General Sales Taxes levied by the Government of Canada and the Provinces

				or Canada and the Frovin	
No.	Category	Government of Canada	Newfoundland	Prince Edward Island	Nova Scotia
1	General sales tax Statutory authority			The Revenue Tax Act; 1960, c 36, and amendments.	Health Services Tax Act R.S. 1967, c 124 and amen ments
2	Basis	Manufacturer's selling price or duty-paid value of imports-ad valorum	Retail price	Retail selling price generally, but in some instances at consumer cost.	Purchase price
3	Rate	12%. A special rate of 11% is imposed on a wide range of building materials (Rates include Old Age Security Tax of 3%)	7%	7%	7%**
4	Exemptions	Exemptions include: Production machinery and apparatus and materials consumed or expended directly in the process of manufacture or production of goods; certain goods used in commercial fisheries; equipment and machinery used in farming; foodstuffs; drugs; appliances for the handicapped; heating fuels; electricity; most products of farms, forests, fisheries and mines; goods used by public hospitals; books, magazines, newspapers; certain goods purchased by municipalities; materials used in the construction of schools, universities and public libraries.	Exemptions include: gasoline and fuel oil; vessels over 300 tons gross; boats and apparatus for use in commercial fishing or processing of fishery products; drugs on doctor's prescription; sales to Federal government; sales for delivery outside the province; seeds, feeds, fertilizers, farm equipment and machinery; food; sales and meals of less than 8¢. Specific exemptions are allowed to certain companies such as railways, mines, shipyards, pulp and paper, etc., for installation and expansion of plant and equipment.  Rate was effective April 1, 1968.  Effective May 14, 1969, the tax was imposed on the following services: hotel and motel room rentals; motor vehicle repairs and maintenance; furniture repairs and repairs to household appliances; long distance telephone calls; and laundry and drycleaning services.	Exemptions include: food; gasoline; fuels; electricity; farm machinery and equipment; fishing apparatus to be used in trade; drugs on doctor's prescription; machinery, apparatus and raw materials used directly in the production of goods for sale; feeds, seeds and fertilizers; sales for delivery outside the province; meals priced at \$1 or less; magazine and newspaper subscriptions; children's clothing and footwear; commercial aircraft; cigarettes and tobacco; text books and school supplies; books and articles used in the practice of religion; all purchases under 11¢. Certain exemptions are allowed on equipment purchased by municipalities for roads, sewerage, drainage and firefighting and on capital outlay purchases by schools and universities.  Effective April 15, 1969, the tax increased to 7% from 5%.	Exemptions include; foods gasoline and fuel oil meals priced at \$1.00 oless; children's wear and number of other consumer goods, machinery equipment and material used in agriculture, fishing, mining and manufacturing; tangible property purchased by a municipality or agency thereof, and all purchases of 15¢ or less Effective April 4, 1969, the tax increased to 7% from 5%.  **Taxes levied under this Act are used in providing health services (hospital benefits, medical care, etc.) for residents of the province.  **Electricity is taxed as follows under the "Health Insurance Tax Act": domestic use — .50c per month commercial use — \$1 to \$30 per month
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TABLE 4. Gene	ral Sales Taxe	s levied by the	Government of	Canada and the Provinces
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	TABLE 4. Genera	al Sales Taxes levie	d by the Government of	Canada and the Provinc	es	
New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	British Columbia	No.
Social Services and Edu- cation Tax Act; RSNB 1952, c 213, and amendments.	Retail Sales Tax Act; R.S. 1964, c 71, and amendments.	The Retail Sales Tax Act; 1960-61, c 91, and amendments.	The Revenue Tax Act; 1966-67, c 57, and amendment.	The Education and Health Tax Act: R.S.S. 1965, c 66, and amendments.	Social Services Tax Act; R.S. 1960, c 361, and amendments.	Pol
"Fair value"	Retail price	Retail price and rent of tangible personal property.	Fair values	Retail price and rent of tangible personal property.	Retail price	2
8%	8%	5%*	5%	5%	517	3
Exemptions include: fuel; agricultural feeds and seeds; orthopaedic appliances; production machinery and apparatus; goods purchased for the purpose of being processed; fabricated or manufactured into or incorporated into goods for sale; purchases of foodstuffs; drugs on doctor's prescription; machinery and implements for fishing and farming; children's footwear; books; school supplies; tobacco; goods sold for consumption outside the province; all purchases of 11e or less; and meals priced at \$1.00 or less.  Effective April 1, 1968, the tax was levied on the price of hotel and motel accomodations; as of April 1, 1969, it is levied on the price of dry cleaning and aundry services.  Effective April 1, 1969, the rate was increased to 8% from 6%.	Exemptions include: bonds and shares of corporations; secu- rities; intangible property; beer; to- bacco; gasoline; fuel oil; foodstuffs; agricultural prod- ucts; farm imple- ments and machin- ery; fishing appa- ratus and tugs and ships to be used in trade; drugs on doc- tor's prescription; fares on transporta- tion systems; ad- mission prices to places of amuse- ment; sales to Fed- eral and Provincial governments; hos- pitals and churches; sales for delivery outside the prov- outside the prov	Exemptions include: Food products including insulin and vitamins; meals at \$2.50 and under; gasoline; diesel fuel; fuel oil; coal; coke; wood; gas; electricity; farm implements; farm supplies; agricultural products; commercial boats and other fishing apparatus; prescription drugs and optical appliances; artificial limbs; hearing aids, denuries; railway rolling stock; children's clothing and footwear; school books; religious and educational publications; classroom supplies; newspapers; subscription magazines; draught beer; tobacco; sales for delivery outside the province and sales of 20¢ and under.  Buses used for urban public transportation; materials purchased by municipalities and certain bodies for the construction of buildings, etc., are exempt.  *Effective April 1, 1970, exemptions include the following when used directly in the manufacturing process; tools attached to production machinery that are used for milling, grinding, pressing and similar purposes; explosives; and refractory materials, such as fire bricks and retorts.	Exemptions include: agricultural feeds; food and drink, not including alcohol; meals less than \$2.00; naturalwater, sales less than 26¢, children's clothes and footwear; prescription drugs and medicaments; optical appliances, artificial limbs, orthopaedic appliances, hearing aids, dentures and repair thereof; plants or animals and the products which constitute food or drink; farm implements and farm machinery and repair parts; commercial fishing boats, fishing nets and other apparatus used for commercial fishing and repairs thereof; commercial vessels of more than 200 tons; fertilizers and weed control chemicals, railway rolling stock and repair parts; books, newspapers and periodical publications; aircraft engaged in foreign or interprovincial trade and repair parts; production machinery used in the process of manufacture of tangible personal property for sale or rendering a service; settler's effects; goods taxed under The Amusements Act. The Gasoline Tax Act. The Gasoline Tax Act. The Tobacco Tax Act. The Gasoline Tax Act. The Tobacco Tax Act. The Gasoline Tax Act. The Mottve Fuel Tax Act. or Part 1 of The Revenue Act, 1964; tangible personal property (other than motor vehicle) sold to a non-resident of Canada and taken permanently out of Canada within 30 days; processing or installation of tangible personal property; reproduction of painted, handwritten or typewritten material on a typewritter material on a typewritter designed for office use; telephone services under 46¢; binder twine, baler twine, baler twine, baler twine, and baler wire; barbed wire; farm, hog, sheep and poultry fence, when purchased for farm use; school supplies; florist orders received from or sent out of the province, Granaries are exempt from April 1, 1968, to July 31, 1970. (Repair parts for granaries, as well as the construction of granaries, are also exempt.)	Exemptions include: Agricultural products when sold by produce thereof, automatic poul- try-house waterers and feeders; artificial limbs; balet twine; baling wire barbed wire when pur- chased by a farmer; bed- ding plants; Bibles, test- aments, prayer books, missals, hymn books; binder twine; books, magazines, periodicals and phonograph records when purchased by sub- scription for delivery by mail; clay; earth, coal, coins; dental appliances; dentures; domestic fuel oil; drugs and medicines; equipment designed sole- ly for the use of blind persons, cripples or chronic invalids; farm implements and farm ma- chinery and parts; certain designated farm tools and commodities; fence pickets when purchased by a farmer; fertilizer; fishing nets; electricity, food and drink, except spirituous, malt and wrinous liquors, and meals; forage crop seed; fuel petroleum products taxable under The Fuel Petroleum Products Act; fuel petroleum products taxable under The Fuel Petroleum products Act when purchased by a farmer for consumption in a tractor, combine, sta- tionary engine, or farm truck; garden seed; grain; hearing aids; insecti- cides, fungicides and herbicides purchased for use on a farm, railway right of way or by a muni- cipality or other similar authority for use on road- ways or road allowances; liquefied petroleum gases used for heating and cooking in homes and buildings; matches; natu- ral water, including ice and steam; newspapers, notes as defined in the Bank of Canada Act; opti- cal appliances; ortho- paedic appliances; rail- way rolling stock, ties and steel rails; school text and school reference books; shrubs; tangible personal property sold to a non-resident; tangible personal property on hor-esident; tangible personal property on hor the tax of the cook it angible personal property on which the tax has been previously paid (used goods pur- chased within Saskat- chewan are not normally subject to the tax) tobac- co; tree; uncancelled Canada postage stamps; weed control chemicals; wood.	Exemptions are allowed for food- stuffs; confections; motor and heating fuels; farm equip- ment and supplies, commercial fishing equipment; pre- scription drugs and health appliances; draught beer; sales to Federal Govern- ment; sales for con- sumption outside of Province, sales of less than 15¢; child- ren's clothing and footwear for children under the age of 15; restaurant meals; school books and sup- plies; religious books; newspapers; periodicals and maga- zines.  Proceeds of this tax are used to finance provincial hospital insurance; health; welfare and other expenditures.	4



# PART III

MISCELLANEOUS PROVINCIAL TAXES

Table 5. Miscellaneous Provincial Taxes

		1952; c 3, and amendment.   204 and regulations.   1952, c 228, and amendments.   1952, c 24,						
No.		Newfoundland		Nova Scotia	New Brunswick	Quebec		
1	Amusement tax Statutory authority	-	1952; c 3, and amend-	ments Act R.S. 1967,	Amusements Act; R.S.N.B. 1952,c228, and amendments.	-		
3	BasisRate		From:     31¢ - 40¢ 2¢     41¢ - 45¢ 3¢     46¢ - 60¢ 5¢     61¢ - 75¢ 7¢     76¢ - 81.00 10¢     over \$1.00 5¢     extra for each additional 50¢ or frac-	From: 5¢ 70¢ 5¢ 71¢-\$1.00 10¢ over \$1.00 5c extra for each additional 50¢ or frac-	Theatre rates: up to 25¢ From 25¢ to 30¢. 3¢ "31¢" 40¢. 4¢ "41¢" 45¢. 5¢ "51¢" 60¢ 7¢ "61¢" 70¢. 8¢ "71¢" 80¢. 9¢			
4	Exemptions and comments	was repealed September 1,	cipal functions and tickets costing up to	_	Other amusements rates: up to 25¢			
5		No. 55 and amendments. The Fuel Oil Tax Act, 1962;	1961, c 13, and amend-	Tax Act; R.S. 1967, c 117 and amend-	Tax Act; 1965, c 3, and	1964, c 74, and amend-		
6 7		Per gallon Motor fuel - 25¢ Fuel oil - 1¢	Per gallon Motor fuel - 21¢	Per gallon Gasoline -21¢ Diesel fuel -27¢	Per gallon Gasoline -20¢ Motor fuel -23¢	Per gallon Gasoline -19¢ Diesel fuel -25¢ Aviation 3¢		
8	Exemptions and comments	Exemptions include gasoline used by government departments, municipalities, members of the Diplomatic Corps and aircraft in all motorized equipment (except trucks and automobiles) used for agricultural purposes; in tractors, powersaws, and sawmills used for logging purposes; in fish processing plants, certain manufacturing plants, vessels and boats used in trade, plants to generate electricity and household appliances; as a household fuel; for the exploration and development of minerals up to the point of production and for export from the province.  Exemptions include fuel oil used by vessels except pleasure boats, tugs, dredges and scows, also fuel oil used for domestic purposes or in institutions, commercial buildings and manufacturing plants, and for export from the province.  Gasoline tax was raised to 25¢ from 20¢ per gallon as at April 1, 1968.	Aviation fuel and the fuel used in offshore fishing fleet exempted. Holders of valid permits issued by provincial treasurer may purchase marked gasoline and/or diesel fuel tax free.  The tax increased to 21¢ from 18¢ effective March 20, 1968.	The use of marked gasoline is restricted to industry.  Effective April 4, 1969, the tax on gasoline increased to 21¢ from 19¢.	Fuel used by fishermen and farmers is exempt as is fuel used other than in motor vehicles on public highways (except in repair and construction of bridges and roads). Marked gasoline may be used by farm trucks that are unlicenced and used exclusively off the highway.  Effective April 1, 1969, the tax on gasoline increased to 20¢ from 19¢.	Full tax refunds are.allowed on gasoline used in the operation of farm tractors, and fishing boats used in trade. Refunds of part of the tax are allowed on gasoline used in stationary engines (except gasoline used by farmers and fishermen), pumps to fight forest fires, aerial navigation and as an ingredient of manufactured products.  Effective from March 28, 1968 the rates increased from 16¢ and 22¢ respectively to the above quoted.		

or less are exempt.  The Gasoline Tax Act; (See page 23)  The Fuel Petroleum Products Act; 1963, c 30, and amendments.  The Fuel Petroleum Products Act, 1968; c 33.  The Fuel Oil Tax Ordinance; 1963, c 48, and amendments.  The Motive Fuel Tax Act, 1968; c 33.  Act; 1963, c 48, and amendments.  The Motive Fuel Tax Act, 1968; c 33.  Act; 1963, c 48, and amendments.  The Fuel Oil Tax Ordinance; 1968, (4th session), c 2.  The Motive Fuel Use Tax Act, 1968; c 33.  Motive Fuel Use Tax Act, 1960, c 158 and amendments.  Motive Fuel Use Tax Act R.S. 1960, c 158 and amendments.  Fuel Oil Tax Ordinance; 1968, (4th session), c 2.  The Fuel Oil Tax Ordinance; 1968, (4th session), c 2.  The Fuel Oil Tax Ordinance; 1968, (4th session), c 2.  The Fuel Oil Tax Act, 1948; R.S.  1960, c 162, and amendments.  Motive Fuel Use Tax Act, 1948; R.S.  1960, c 162, and amendments.  The Gasoline Tax Act, 1948; R.S.  1960, c 162, and amendments.  The Use Tax Act, 1948; R.S.  1960, c 162, and amendments.  The Use Tax Act, 1948; R.S.  1960, c 162, and amendments.  The Fuel Oil Tax Ordinance; 1968, (4th session), c 2.  1955, c 40, and amendments.  The Fuel Oil Tax Act, 1948; R.S.  1960, c 162, and amendments.  The Fuel Oil Tax Act, 1948; R.S.  1960, c 162, and amendments.  The Fuel Oil Tax Act, 1948; R.S.  1960, c 162, and amendments.  The Fuel Oil Tax Act, 1948; R.S.  1960, c 162, and amendments.  The Fuel Oil Tax Act, 1948; R.S.  1960, c 162, and amendments.  The Fuel Oil Tax Act, 1948; R.S.  1960, c 162, and amendments.  The Fuel Oil Tax Act, 1948; R.S.  The Fuel Oil Tax Act, 1948; R.S.  1960, c 162, and amendments.  The Gasoline Tax Act, 1948; R.S.  1960, c 162, and amendments.  The Fuel Oil Tax Act, 1948; R.S.  1960, c 162, and amendments.  The Fuel Oil Tax Act, 1948; R.S.  1960, c 162, and amendments.  The Fuel Oil Tax Act, 1948; R.S.  1960, c 162, and amendments.  The Fuel Oil Tax Act, 1948; R.S.  1960, c 162, and amendments.							
Ontario	Manitoha	Saskatchewan	Alberta	British Columbia	Yukon Territory		No.
	R.S.M. 1954, c 4, and	_	tax section on	-	nance; R.O. 1958, c		1
	From: 61¢ to 64¢ 1¢ 65¢ '' 67¢ 2¢ 68¢ '' 70¢ 3¢ 71¢ '' \$1.00 5%						2
taxed under the Re- tail Sales Tax Act,					exhibitions held by an incorporated soci- ety, amateur athle- tics, and exhibitions		4
and amendments.  The Motor Vehicle Fuel Tax Act R.S.O. 1960, c 248, and	1963, c 30, and amendments.  The Motive Fuel Tax Act: 1963, c 48, and	leum Products Act: R.S.S. 1965, c 67, and		1960, c 162, and amendments. Coloured Gasoline Tax Act; R.S. 1960, c 63, and amendments. Motive Fuel Use Tax Act R.S. 1960, c 251 and amendments. Fuel Oil Tax Act R.S. 1960,	ance; 1968, (4th ses-	dinance; R.O. 1956, c 40, and	5
Per gallon Basoline -18¢ Diesel fuel -24¢ Aviation - 3¢	Clear gasoline - 17¢ Aircraft gasoline - 2¢	Gasoline -19¢ Diesel fuel -21¢	Gasoline −15¢ Diesel fuel − 17¢	Per gallon Gasoline (clear) -13¢ Aircraft gasoline - 1¢		Gasoline fuel - 12¢ Diesel fuel - 12¢	
ull tax refunds are allowed on gasoline used by farmers and commercial fishermen; others are granted relief from tax at 13c per gallon on gasoline used other than in motor vehicles or equipment travelling on highways. Exceptions to the tax relief procedure are motor boats and motorized snow vehicles which are liable for the full rate from April 1, 1969.  ieselfuel other than in a motor vehicle or in a machine used on a highway or in connection with the construction or maintenance of a highway is exempt from tax.  lates are effective from March 13, 1968.	"Motive fuel" means any fuel not taxed under the Gasoline Tax Act.  Exemptions are allowed on purple fuel used in operating agricultural machinery, farm trucks and municipal fire apparatus, and in trapping, fishing and prospecting.  Total exemption on purple fuel for operation of municipal fire apparatus and lighting plants, hospital and agricultural machinery and domestic heating purposes. Partial refunds on other items as set out in the Act.	The tax on clear gasoline was increased by 2¢ per gallon and on clear diesel fuel by 1¢ per lon effective March 3, 1970. Also effective March 3, 1970, the tax on other fuels was removed from those fuels purchased by farmers for use in farming operations, and the tax was increased from 2¢ to 4¢ per gallon on these fuels when used for any industrial or commercial purpose. Heating fuels remain exempt from tax. Aviation fuels are subject to tax at 4¢ per gallon.	Exemptions of 12¢ for gasoline and 14¢ for diesel fuel per gallon are allowed for industrial purposes, and for aircraft operations. Effective June 1, 1969, full exemption is allowed for agricultural purposes.  The tax on gasoline was increased to 15¢ from 12¢ and on diesel fuel to 17¢ from 12¢ and on fective date of the rates was June 1, 1968.	Refund of 12¢ per gallon allowed for operation of logging trucks off highways, motor vehicle power units for industrial purposes while vehicle is stationary, and motorvehicles of amputees, paraplegics, and certain classes of war veterans. Motor vehicles entering the Province subject to tax on imports in supply tanks exceeding forty gallons.  Coloured gas oline may only be used in ships, boats and other water vehicles, stationary and portable engines and tractors for off highway use, logging trucks used exclusively off highways: railway locomotives, railway cars and track operated motor vehicles using motive fuel motor vehicles using motive fuel are required to pay tax on gallonage used on public highways within the Province, Motive fuel used in farm tractors is, with certain limitations, exempt (subject to Coloured Gasoline Tax Act).  Fuel oil includes any liquid fuel, other than gasoline, used for burning to create a flame for heating, cooking or raising steam.	Fuel oil includes all liquid products obtained by distillation or condensation or absorption or any other process from petroleum, natural gas, casing head, or na tural gasoline, benzol, benzene, naptha, coal, coal tar, oil shales, kerosene, gas, oil and any combination of any such products.  Exemptions — No tax is payable in respect of fuel oil that is used or to be used in stationary generators of electricity, to propel an aircraft, for heating, for lubricating, for laying or sprinkling on roads or streets, as cleaning fluids or solvents, in the operation of farm tractors for farming purposes, by the Government of Canada, amunicipality as defined in the Municipal Ordinance, and by a visiting force as defined in the Visiting Forces (North Atlantic Treaty) Act.  The rate of tax on fuel oil was raised to 11¢ from 9¢ per gallom, effective January 23, 1968.	Effective April 1, 1969 gasoline tax rate per gallon increased to 12¢ from 11¢. Diesel fuel tax rate increased to 12¢ from 10¢ per gallon, April 1, 1970.  Where fuel oil is used for stationary engines, the rate per gallon is 3¢.	8

TABLE 5. Miscellaneous Provincial Taxes - Continued

		TABLE 5. Miscellaneous Provincial Taxes - Continued								
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec				
1	Motor vehicle licences and fees Statutory authority	The Highway Traffic Act, 1962; No.82, and amend- ments	The Highway Traffic Act, 1964; c 14, and amend- ments.	Motor Vehicle Act; R.S. 1967, c 191, amendments and regulations.	The Motor Vehicle Act, 1955; c 13, and amend- ments.	Highway Code; R.S. 1964, c 231, and amendments				
2	Basis	(a) flat rate per vehicle	(a) weight of the vehicle	(a) per 100 lb. vehicle weight	(a) per pound of weight of motor vehicle.	(a) per pound of vehicle weight				
		(b) operator	(b) operator (c) chauffeur	(b) operator (c) chauffeur	(b) operator (c) chauffeur	(b) operator (c) chauffeur				
3	Rate	(a) \$18.00 to 24.00	(a) Not over 2,500 lb. — \$17.00 2,501 to 3,100 lb. — \$21.00 3,101 to 3,700 lb. — \$24.00 3,701 to 4,300 lb. — \$28.00 4,301 lb. and over — \$31.00;	(a)\$1.00 per 100 lb. of vehicle weight. Mini- mum licence fee is \$15.00.	(a) 1¢ perpound of weight of motor vehicle: minimum fee of \$20.00 per vehicle plus a fee of \$4.00 for licence plates. (effective January 1, 1969).	(a) 1¢ per pound (min- imum \$20,00)				
		(b) Operator's licence — \$9.00	(b) Operator's licence — \$2,00 (c) Chauffeur's licence — \$7.00	(b) Operator's licence - \$6.00 (c) Chauffeur's licence - \$5.00	(b) Operator's licence - \$4.00 (c) Chauffeur's licence - \$4.00	(b) Operator's licence - \$6.00 (c) Chauffeur's licence - \$6.00				
4	Comments	(a) Reduced rates apply later in the year.  Operator's licence has a three year term. Expiry date is on licensee's birthday.	(a) Reduced rates apply later in the year.  Operator and chauffeur licences have a two year term. Expiry date is on the last day of licensee's month of birth. Rates are effective from January 1, 1968.	Licences expire Dec. 31 (may be extended to March 31). Operator's licence has a three year term; chauffeur's licence has a one year term Rates are effective April 4, 1969.	(a) Reduced rates apply later in the year which expires Dec. 31.  Operator and chauffeur licences have a two year term.	1 year — \$3.00  Allrates are effective January 1, 1969				
	Insurance tax (a) On insurance compa-									
5	nies: Statutory authority	The Insurance Companies Tax Act. 1957; No. 76 and amendments.	The Premium Tax Act; 1957, c 27, and amend- ments.	Insurance Premiums Tax Act; R.S. 1967, c 149.	Premium Tax Act; 1957, c. 14.	Corporation Tax Act; R.S. 1964, c 71, and amend- ments.				
6	Basis	Premium income	Premium income	Premium income	Premium income	Premium income				
7	Rate	2%	2%	2%	2%	2%				
8	Comments	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	-				
9	(b) Fire insurance: Statutory authority	The Insurance Premiums	The Fire Prevention Act;	Dira Proportion Acts D.C.		a di Po				
	www.viivy	Tax Act, 1968; No. 59.	R.S.P.E.I. 1951. c 59, and amendments.	Fire Prevention Act; R.S. 1967, c 107 and amend- ments.	Fire Prevention Act; RSNB 1952, c 86, and amend- ments.	Corporation Tax Act; R.5 1964, c 71, and amend ments,				
10	Basis	Premiums charged	Gross premiums	Premium income	Premium income	Premium income				
11	Rate	7%	% of 1%	½ of 1%	1%	2%				
12	Comments	This tax is paid by the policy holder. It is levied on all insurance premiums other than life, accident, sickness, and marine premiums.	Effective date is April 1, 1968.	Rates as determined by the Lieutenant Governor in Council.	-	-				
		•								

TABLE 5. Miscellaneous Provincial Taxes - Continued

		TABLE 5. Misc	ellaneous Provincia	al Taxes - Continue	d		
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
he Highway Traffic Act; R.S.O. 1960, c 172, and amend- ments.	The Highway Traffic Act; 1966, c 29, and amendments.	The Vehicles Act; R.S.S.1965, c 377, and amendments.	The Highway Traffic Act; 1967, c 30, and amendments.	Motor-vehicle Act; R.S. 1960, c 253 and amendments.	Motor Vehicle Ordin- nance; R.O. 1958, c 77, and amend- ments,	Motor Vehicles Ordinance; R.O. 1956, c72, and amendments	To a second
i) number of cylinders	(a) length of wheel base	(a) length of wheel base	(a) length of wheel base	(a) net weight of ve-		(a) flat rate for passen- ger vehicles and light trucks.	2
)) operator :) chauffeur	(b) driver (c) chauffeur	(b) operator (c) chauffeur	(b) operator	(b) operator (c) chauffeur	(b) operator (c) chauffeur	(b) operator (c) chauffeur	
t) 4 cylinders or less (after 1933) — \$20.00 6 cylinders — \$27.50 8 cylinders — \$35.00	(a) \$11.25 for wheel base not exceeding 100° in length; for each additional 5 inches or portion thereof - \$3.25 Additional charge of 50¢ on all registrations for the Unsatisfied Judgement Fund	(a) \$15 for wheel base not exceeding 110" \$21 for wheel base of 111" to 120" \$27 for wheel base exceeding 120"	(a) \$15 for wheel base not exceeding 110'' \$20 for wheel base of 120'' \$25 for wheel base of over 120''	(a) 1,500 lb, or less — \$10 80 1,501 lb, to 2,000 — \$14,40 2,001 lb, to 3,000 — \$18,00 3,001 lb, to 4,000 — \$22,50 4,001 lb, to 5,000 — \$31,50 5,001 lb, to 6,000 — \$45.00 fb, to 7,000 — \$58.50 Plus registration fee of \$1.00 for non-commercial vehicles.	(a) \$15.00 for wheel base 100" or less \$20 00 for wheel base 101" to 120" \$25.00 for wheel base 121" and over (Reducedrates apply later in the year).	(a) \$15.00 for private vehicles operated on the Mackenzie Highway. \$5.00 for private vehicles operated elsewhere in the Territories. Commercial \$6.50 per 1,000 lbs. gross Vehicle Weight, Public Service \$8 per 1,000 lbs. gross Vehicle Weight on Mackenzie Highway System; both \$1 per 1,000 lbs. elsewhere in the territories.	3
i) Operator's licence - \$6.00  i) Chauffeur's licence (on renewal) - \$6.00	(b) Operator's licence - \$5.00 (c) Chauffeur's licence - \$7.50	(b) Operator's licence - \$2.00 (c) Chauffeur's licence - \$3.00	(b) Operator's licence - \$5.00	(b) Operator's li- cence - \$5.00 (c) Chauffeur's li- cence - \$3.00	(b) Operator's licence \$ \$2.00 (c) Chauffeur's licence - \$5.00	(b) Operator's licence - \$2.00 (c) Chauffeur's licence - \$3.00	
perator and chauffeur licences have a three-year term. Rates are effective December 1, 1968.	(a) Reduced rates apply later in the year which expires February 28 Operator and chauffeur licences have a two year term	Operator and chauffeur licences have a one year term. Expiry date is April 30. See "Miscellaneous taxes" for motor vehicle insurance, p. 35.	Operator's licence has a five-year term; expiry date is March 31.	(a) Rates are reduced one-twelth each month to a minimum fee of \$2.00.  Operator's licence has a five year term; chauffeur's licence has a one year term.	Both operator and chauffeur licences have a one-year term Expiry date is March 31.	(a) Rates are reduced 50% after October 31.  Both operator and chauffeur licences have one year terms.	4
he Insurance Act; R.S.O. 1960, c 190, and amendments.	The Insurance Corporations Tax Act; 1957, c 32, and amendments	The Insurance Premiums Tax Act; R.S.S. 1965, c 63, and amendments.	The Insurance Corporations Tax Act; 1957, c 35, and amendment,	Insurance Premiums Tax Act, R.S. 1960, c 198 and amendments.	-	-	5
ross premiums or de- posits	Premium income	Premium income	Premium income	Premium income			6
2%	2%	2%	2%	2%			7
-	Exemption for marine insurance and annuity contracts	Exemption for marine insurance and annuity contracts. *See "Miscellaneous taxes" for motor vehicle insurance, page 35.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	-	-	8
he Fire Marshals Act; R.S.O. 1960, c 148, and amendments.	The Fires Prevention Act; R.S.M. 1954, c 86, and amend- ments	The Fire Prevention Act; R.S.S. 1965, c 365, and amend- ment.	The Fire Prevention Act; R.S. 1955, c 115, and amend- ments.	Fire Marshal Act; R.S. 1960, c 148, and amendment	_	-	9
remium income	Premium income	Premium income	Premium income	Premium income			10
Up to 1%	1%	1%	1/3 of 1%	1%			**
ates are determined by the Lieutenant Governor in Coun- cil.	-	-	_	Rate determined by Lieutenant Gover- nor in Council.	-	-	12

TABLE 5. Miscellaneous Provincial Taxes - Continued

		TABLE 5. Miscellaneous Provincial Taxes - Continued						
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec		
1	Insurance tax — Concluded (c) Hospital insurance: Statutory authority	Hospital Insurance (Agreement) Act, 1957 c. 60 and amend- ments.	The Hospitals Act, 1959 c. 16 and amendments.	Hospital Insurance Act, R.S. 1967 c. 125.	Hospital Services Act, 1960-61 c. 11 and amendments.	Hospital Insurance Act, R.S. 1964 c. 163 and amendments.		
2	Basis	No premiums	No premiums	No premiums	No premiums	No premiums		
3	 	Financed through means other than premiums.	Financed through means other than premiums.	Financed through means other than premiums.	Financed through means other than premiums.	Financed through means other than premiums.		
4	Comments	Plan commenced July 1, 1958.	Plan commenced October 1, 1959.	Plan commenced January 1, 1959.	Plan commenced July 1, 1959.	Plan commenced January 1.		
5	(d) Medicare: Statutory authority	The Newfoundland Medical Care Insurance Act, 1968 c. 38 and amendments.	The Health Services Payment Act, Bill No. 37.	Medical Care Insurance Act, 1968 c. 9 and amendments.	_	Health Insurance Act, 1970 Bill No. 8.		
6	Basis	No premiums	No premiums	No premiums	-	Net income		
7	Rate		_	_	_	8/10 of 1% of net income o an individual (max. \$125. if at least % of his ne income is salary, plus 8/10 of 1% of his salar, (without maximum) pay able by his employer. I more than ¼ of net income of an individual inot salary, 8/10 of 1% onet income (max. \$125. plus the excess of that portion of his net income thais not salary over % ohis net income, subject to a maximum contributio of \$200.		
8	Comments	Effective date, April 1, 1969.	The plan will become effective December 1, 1970.	Effective date, April 1, 1969.	-	Single persons and marrie persons earning \$2,000 and \$4,000 respectively or less, are exempt.  The plan will become effective November 1, 1970.		

TABLE 5. Miscellaneous Provincial Taxes - Continued

	TABLE 5. Miscellaneous Provincial Taxes - Continued								
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.		
e Hospital Services. Commission Act; R.S.O. 1960, c. 176, and amendments.	The Hospital Services Insurance Act; 1962, c. 30, and amend- ments.	The Saskatchewan Hospitalization Act, R.S.S. 1965, c. 253, and amend- ments.	Act; 1961, c. 36.	Hospital Insurance Act, 1961, c. 59, and amendments.	Yukon Hospital Insurance Services Or- dinance, 1960, c. 2.	Territorial Insurance Services Ordinance, 1959, c. 3.	1		
Inthly premiums	Monthly premiums	Annual premiums	Effective July 1, 1970 premiums were introduced but merged with Medicare (see Item 7 under Medicare below).	No premiums	No premiums	No premiums	2		
gle \$5.50 mily \$11.00	Single \$3.60 Family \$7.20	Single \$24.00 Family \$48.00		Financed through means other than premiums.	Financed through means other than premiums.	Financed through means other than premiums.	3		
les are effective from July 1, 1968. In commenced January ., 1959.	Rates are effective from January 1, 1969. Premium rates for members of the RCMP and Canadian Armed Forces: Family (1 dependent) \$3.60 Family (2 or more dependents) \$5.40 Plan commenced July 1, 1958.	Authorized charges (utilization fees) of \$2.50 per day for inpatient care in hospital up to 30 days and \$1.50 per day for the next 60 days; \$1.50 per visit for outpatient physiotherapy services provided in hospitals also applies.  Plan commenced January 1, 1947.	1, 1958	Plan commenced July 1, 1949.	Plan commenced July 1, 1960.	Plan commenced April 1, 1960.	4		
Health Services Inwrance Act S. 1968-9.	Health Services Insurrance Act; S.M.1966-67, c. 36; R and S, M. S.M. 1969, c. 3 and amendments.		The Health Insurance Premiums Act; 1969 c. 45 and amend- ments.	Medical Services Act, S. 1967, c. 24.	-	- ,	5		
ithly premiums	Monthly premiums	Annual premiums	Annual premiums	Monthly premiums	-	-	6		
gle	Single	Single	Single \$ 69.00 Family 138.00 A \$5.00 non-insurable registration fee is levied.	Single		_	7		
Dective date, October, 1969.	Premium rates for members of RCMP and Canadian Armed Forces are 55¢ for single and 85¢ for families.  Effective date, April 1, 1969.	addition to the annual premium, utilization fees are levied at the following rates: \$1.50	1970, hospital and medicare contributions are merged.  Effective date, July 1, 1969.	The province subsidizes 90% of premium cost of persons with no taxable income in the previous year, and 50% of premium cost for persons with taxable income not in excess of \$1,000. in the previous year.  Effective date, July 1, 1968.	-	-	8		

TABLE 5. Miscellaneous Provincial Taxes - Continued

		TABLE 5. Miscellaneous Provincial Taxes - Continued								
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec				
	Logging tax Statutory authority	_	_	-	-	Logging Tax Act; R.S.Q. 1964, c 68, and amend- ments.				
2	Basis					Income (as defined)				
3	Rate					10%				
4	Comments					Full exemption is allowed where income is less than \$10,000; where income exceeds \$10,000, the tax is paid on the total income including the \$10,000.				
5	Mining tax Statutory authority	The Mining Tax Act; R.S.N. 1952, No. 43, and amendments.	_	Gypsum Mining Income Tax Act; R.S. 1967, c 122.	Mining Income Tax Act; (formerly, Mining Tax Act) 1954, c 10, and amendments.	Mining Duties Act; 1965, c 35.				
6	Basis	Net income of mining corporations		(a) On net income or (b) Per ton mined	Net income of mining corporations.	Net profit of mining corporations.				
7	Rate	Iron — 20% Others — 5%		(a) 33½% of net income as set out in the Act. (b) 6¢ per ton; mining operation calculated at a fixed rate of 18¢ per ton, of which 33½% is taxed.	8% on all net income up to \$750,000; 11% on next \$2,250,000 net income; and 12% on all net income exceeding \$3,000,000	11% on net profit o \$1,000,001 t \$2,000,000; 13% o				
8	Comments	_	-	-	Effective date April 1, 1970.	Net profit up to \$50,00 is exempt.  Effective date, Janua 1, 1966.				

TABLE 5. Miscellaneous Provincial Taxes - Continued

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories
e Logging Tax Act; R.S.O. 1960, c 224, and amendments.				Logging Tax Act; R.S. 1960, c 225, and amendments.	_	, ! —
ome (as defined)				Net income		
% on income in excess of \$10,000.				15% where net income sexceeds \$10,000		,
x credit of one-third of tax is provided under the provincial Corporations Tax Act. Two-thirds may be leducted from federal ncome tax under the urovisions of the fed- ral Income Tax Act.				Full exemption is allowed where net income is less than \$10,000; where net income exceeds \$10,000, the tax is paid on the total net income, including the first \$10,000.  Tax credit of tenfiftieths of tax is provided under the provincial Income Tax Act, Two-thirds may be deducted from federal income tax under the provisions of the federal Income Tax Act.  Effective April 1, 1968, the rate increased to 15% (as above)		
Mining Tax Act;	The Mining Royalty and Tax Act; R.S.M. 1954, c 169, and amendments.	The Mineral Taxation Act; R.S.S. 1965. c 64, and amend- ments.	The Mineral Taxation Act; R.S. 1955 c 203, and amend- ments.	from 10% on net income of \$25,000.  Mining Tax Act; R.S., 1960, c 247, and amendments.		-
profit on the mining fore.	Net profit of mining corporations.	(a) a flat rate per acre for freehold miner- als owned by cor-	(a) assessed value of minerals and	Net income		
		porations; (b) the assessed value of minerals for freehold lands.	(b) a flat rate per acre of land.			
15%	6% - 1st \$1,000,000; 9% - next 4,000,000; 11% - over 5,000,000.	<ul> <li>(a) flat rate — 10¢ per acre; the tax is not applicable to an owner who is an individual.</li> <li>(b) assessed value - 8 mills.</li> </ul>	Rates vary with respect to different classes of minerals in (designated) producing areas. Tariff of fees not to exceed 5¢ per acre (minimum 25¢).	15% on net income in excess of \$10,000		
plicable to the total profit of the mine in the taxation year, as tetermined under the Act.  Ing companies obtaining a profit of east than \$50,000 are east than \$50,000 pay on the total profit including the first \$50,000.  The applies to taxation years ending in 1969 and subsequent	Tax for the first three years of operations is 50% of the abovenoted rates.  Also, the Mineral Taxation Act imposes a rate of 8 mills on the assessed value of crude oil in, on or under land in a designated producing area.	Assessed value of minerals is based on value of production for the year previous. Acreage tax applies only to corporations holding land in Saskatchewan. Producing tract tax applies to all freehold minerals. Effective date, January 1, 1969.	No tax is payable in respect to coal mining.	The rate effective April 1, 1968 now includes coal and mineral concentrates. The amended Act makes the processors of minerals, as well as owners of mines, liable for tax.		

TABLE 5. Miscellaneous Provincial Taxes - Continued

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
1	Race track tax Statutory authority	The Horse Racing (Regulations and Tax) Act, 1963; No. 65, and amendments.	The Amusement Tax Act, 1952; c 3, and amendment.	Theatres and Amusements Act; R.S. 1967, c 304 and regulations.	Theatres, Cinemato- graphs, and Amuse- ments Act; RSNB 1952, c 228, and a- mendments.	Licences Act; R.S. 1964, c 79, and amendments.
2	Basis	Amount of bets placed under the pari mutuel system.	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool
3	Rate	11%	11½%	11%	11% of wagers	7% of ticket evidencin; the choice of a single winning horse; 9% or other tickets.
4	Comments	-	Effective February 19, 1969, the rate increased to 11½% from 11%. The track operators are allowed 5½% as a special concession.	If tax is remitted within 7 days, the Race Association may deduct a commission as follows:  - on first \$200,000  - 00 next \$200,000  - 7%  - over \$400,000  - 5%  - commission on any amount, after Oct. 31 8%	If tax is remitted within 7 days, the Race Association may deduct from 6½% to 8% of the amounts wagered as commission.	on wagers, there is a duty on the entrance fee at the rate of 10%
5	Tobacco tax Statutory authority	The Tobacco Tax Act, 1964; No. 81, and amendments	The Health Tax Act; R.S.P.E.I. 1951, c 71, and amendments.	Health Services Tax Act: R.S. 1967, c 124 and amendments.	Tobacco Tax Act; RSNB 1952, c 231, and amendments.	Tobacco Tax Act; R.S. 1964, c 72, and amendments.
6	Basis	By cigarette; by retail price of cigars; other tobacco products by weight.	By cigarette; by retail price of cigars and other tobacco products.		By cigarette; by retail price of cigars and other tobacco products.	By cigarette; by retain price of cigars and other manufacture tobacco.
7	Rate	16¢ to 25¢ - 4¢ ** 26¢ ** 35¢ - 6¢ ** 36¢ ** 45¢ - 8¢ ** 46¢ up - 10¢ **   Other tobacco products	each Cigars - from 4¢ to 9¢ - 1¢ each 10¢ to 15¢ - 2¢ 16¢ up - 1¢ additional tax for each additional 5¢ on retail price. Other tobacco products	Cigarettes — 4/10 of 1¢ each Other tobacco products — 10% of retail price.	each Cigars — 1¢ for each 5¢ or part thereof Other tobacco products—	each
8	Comments	There are certain exemptions on tobacco purchases by bonafide tourists and for other categories such as ships stores. There is no tax on a plug of tobacco.	20, 1968.	Effective April 4, 1969, the tax on cigarettes increased from 1/10 to 4/10 of 1¢ per cigarette, and the tax on other tobacco products is increased from 5% to 10% of retail price.  Taxes levied under this Act are used in providing health services (hospital benifits, medical care, etc.) for residents of province.	April 1, 1969.	No tax is levied on le tobacco or on ciga sold at 5¢ each, less.

TABLE 5. Miscellaneous Provincial Taxes - Continued

		DEE of Miscerian	eous Provincial Taxes	s - Continued			
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No
ne Race Tracks Tax Act; R.S.O. 1960, c 341, and amend- ments.			The Amusements Act; R.S. 1955, c 13, and amendments.	Pari Mutuel Betting Tax Act; R.S. 1960, c 274.	-	den.	1
ari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool			2
7%	10%	10%	5%	12%			3
fective March 13, 1968 the tate increas- ed to 7% from 6%.	-	Under the provisions of Bill 68 (1968) the rate was increased to 10% from 5%.	_	-			4
e Tobacco Tax Act, 1965; c 130, and umendments.	The Tobacco Tax Act; S.M. 1963, c 88 and amendments.	The Tobacco Tax Act; R.S.S. 1965, c 68, and amendments.	Tobacco Tax Act	-	-	-	5
cigarette; by retail price of cigars; by weight for other to- pacco products.	By cigarette; by retail price of cigars; by weight for other manufactured tobacco.	By cigarette according to length; by retail price of cigars and by weight for other tobacco products.	By cigarette; by retail price of cigars and by weight for tobacco (including plugs and snuff).				6
each  (ars - ½ of 1¢ each  or every 5¢ (or part  hereof) of retail  price  ertobacco products—  ### per ounce (or part  hereof).	each  Cigars from:  7¢ - 1¢ each  8¢ to 12¢ - 2¢  13¢ " 17¢ - 3¢ "  18¢ " 22¢ - 4¢ "  23¢ " 27¢ - 5¢ "  28¢ " 32¢ - 6¢ "  33¢ " 37¢ - 7¢ "  38¢ " 42¢ - 8¢ "	Cigarettes over 85 millimeters long — 9/25 of 1¢ each  Cigars from: up to 7¢ — 1¢ each 8¢ to 15¢ — 2¢ '' 16¢ '' 25¢ — 4¢ '' 26¢ '' 35¢ — 6¢ '' 36¢ '' 45¢ — 8¢ '' over 45¢ — 10¢ ''	Cigarettes - 8/25 of 1¢ each Cigars - 7¢ orless - 1¢ each 8¢ to 15¢ - 2¢ " 16¢ " 22¢ - 3¢ " 23¢ " 32¢ - 5¢ " 33¢ " 42¢ - 7¢ " over 43¢ - 9¢ "  Tobacco - 64¢ per pound.				7
rate on cigarettes nereased to 2/5 of ¢ each from 3/10 of ¢ each effective farch 5, 1969. Rates in cigars and other obacco products are affective March 13, 968.	_	The above-quoted rates are effective March 1, 1968.	The Tobacco Tax Act became effective June 30, 1969.				8

TABLE 5. Miscellaneous Provincial Taxes - Concluded

_		Newfoundland	Prince Edward Island	Nova Scotia
No.	Miscellaneous taxes	Telegraph and wireless tax	, -	Tax on long-distance telephone calls
2	Statutory authority	The Telegraph Tax Act; R.S.N. 1952, No. 33.		Corporations Tax Act; R.S. 1967, c 61.
3	Basis	(a) by telegraph cables to places outside of the Province; and    (b) by wireless station communicating with any place, ship, or vessel outside the province.		Toll charge
4	Rate	(a) \$4,000 per cable (max. tax \$20,000); (b) \$4,000 per station. (See com- ment.)		5¢ for each 50¢ toll charge or part thereof
5	Comments	No tax is charged if the purpose of the wireless station is only for the reporting of passing ships or vessels.		Tolls under 25¢ are exempt.
6	Name of tax	Business tax	Tax on alcoholic beverages	_
7	Statutory authority	_	The Health Tax Act; R.S.P.E.I. 1951, c 71, and amendments	
8	Basis	. Registration fee for every company	Retail price	
9	Rate	\$100.00 per year	10%	
10	Comments	Formerly \$5.00 per year	Retail sales are made through provincial government liquor stores	
11			_	man.
12	Statutory authority			
13				
1				

TABLE 5. Miscellaneous Provincial Taxes - Concluded

		Zunes Conclude	·u		
Quebec	Ontario	Saskatchewan	Alberta	Yukon Territory	No.
Telecommunications	~		Fur tax	Fur tax	1
elecommunications Tax Act; 1965, c 28.	-		The Game Act; R.S.A. 1955, c 126, and amendments.	Fur Fxport Ordinance; R.O. 1958, c 49, and amendments.	
ice of telecommunication			Per pelt	Per pelt	3
8%			Various	Various	1
te increased from 6% effective March 17, 1967. Applicable to long distance telephone calls, telegrams and other telecomnunications.			Rates are established by regulations with a range from 2¢ to \$1.25 per pelt.	Rates are established by regulations with a range from 1¢ to \$5.00 per pelt. Effective April 4, 1968.	
Meals and lodging tax	Land transfer tax	Motor vehicle insurance tax	Bus mileage tax	Alcoholic beverages tax	6
a <mark>ls and H</mark> otels Tax Act; 1965, c 30.	The Land Transfer Tax Act; R.S.O. 1960, c 205, and amendment.	The Motor Vehicle Insurance Premiums Tax Act, 1967; c 19.	The Public Service Vehicles Act; R.S. 1955, c 265, and a- mendments.	Liquor Ordinance; O.Y.T. 1970 (1st) c 3.	7
meals priced \$1.25 and over; on alcoholic everages; on any aerated water, to which ssence or syrup has been added, and on rice of lodging.	Purchase price	Premium income	By passenger mile	By the bottle, flask, or gallon.	8
8% ! tax is not payable by persons employed n an establishment on the price of lodging nd meals supplied to them by the person 'ho keeps the establishment. Beer served n a tavern is not taxable.	Up to \$25,000 — 1/5 of 1% \$25,000 and over — 2/5 of 1%	1%		bottles of beer	9
e increased to 8% from 6% effective April 5, 1967.	-	-	- !	Rates are effective January 23, 1968.	10
Security transfer tax	Security transfer tax	-	_	-	11
nity Transfer Tax Act; R.S. 1964, c 77, and amendments.	The Security Transfer Tax Act; R.S.O. 1960, c 364.				12
· price of securities transferred	Sale price of securities transferred		1		13
\$1 to \$5	Bonds and debentures, 3¢ per \$100 or fraction thereof, of par value Shares sold, transferred or assigned: Value under \$1 - 1/10 of 1% of value  '\$ 1 to \$ 5 - 1/4¢ per share  5' 25 - 1¢ ''  25 '' 50 - 2¢ ''  50 '' 75 - 3¢ ''  '' over \$150 - 4¢ per share plus  1/10 of 1% value in excess of \$150				14
trities issued by a municipal corporation a school board in Quebec and securities aranteed as to principal and interest by e government of Canada or by the government of a province of Canada or by a munipal corporation or school board in Quebec exempt.	-				15



# PART IV

REAL PROPERTY TAXES



#### **PROVINCIAL**

Provincial property taxes are levied by New Brunswick at the rate of 1½ p.c. of market value assessment on all land and buildings in the province; a similar tax on business occupancy is also levied. The revenue from these sources is used to finance education, health, welfare and justice services which, until January 1, 1967, were the responsibility of New Brunswick municipalities. (See Table 6, page 38).

Certain other provinces also impose property taxes which are not significant from a revenue stand-point, and are not included in Table 6; however, the following are some brief comments thereon.

Nova Scotia imposes a "land tax" but it is of limited application. In unorganized (non-municipal) areas, the Province of Ontario levies a property tax of 1½ p.c. of assessed value with a minimum annual tax of \$6.00 in respect of any land. British Columbia also imposes a property tax in unorganized (non-municipal) areas at varying rates ranging from ½ of 1 p.c. of the assessed value of farm land, to 7 p.c. for (operating) coal land. Under the Taxation Ordinance, Yukon Territory levies a property tax on the "fair value" assessment on all real property (non-municipal) at a rate determined annually for territorial purposes.

#### MUNICIPAL

The principal revenue-producing tax available to municipalities is that levied on real property situated within their jurisdictions. The real property tax rate is expressed in mills per dollar (or dollars per \$100) of the assessed value of the property. Methods of assessing real property vary widely, but assessed values are usually related to market value, which may be either that current at the time of assessment, or be based on that prevailing at the time of the last general assessment of the particular municipality. In addition, land may be assessed in a different manner from buildings thereon. In 1969, real property taxation is estimated to produce 91 p.c. of all revenue derived by Canadian municipalities from general taxation.

Most municipalities also levy a business tax on the owners or operators of business. Businesses are assessed at a fraction of the assessment of, or at the annual rental value of, or on the area occupied by, their premises. In 1969 business taxes are estimated to produce 7.6 p.c. of total municipal general taxation. Business taxes should not be confused with business licences imposed in addition by many municipalities; however, some municipalities impose such licences in place of business taxes, while, notably in Newfoundland, other municipalities levy business taxes, usually in fixed amounts, in lieu of licences.

The remaining 1.4 p.c. of municipal general tax revenue is raised through personal taxes. Here again methods of assessment, and, also, the determination of taxable personal property, vary widely. The poll tax, which was formerly of some significance, has now almost disappeared, nor do any municipalities now impose a sales tax.

Table 6 on pages 38 to 40 deals with general real property taxation in selected Canadian municipalities. The innovation introduced in the 1969 publication, of ex-

pressing such taxation as a percentage of market value rather than in terms of mill rates (or dollars per \$100) of assessed value, has been continued. However, difficulties were encountered in 1969, when only a single property comprising land and buildings of a given market value was used to determine the amount of real property taxation in all municipalities surveyed, since the property chosen was not typical in many of these municipalities. In 1970, therefore, a range of such properties was used from which each of the municipalities surveyed selected one most typical for it. The details reported are thus in the nature of a generalization but the resulting percentages can be regarded as representative for the municipalities selected. This tax-market value relationship obviates many of the difficulties inherent in the use of mill rates and assessments (both highly variable factors) for comparative purposes.

In the table, the percentage relationship between real property taxation and current market value of both residential and commercial property has been broken down into the local and school tax components.

The wide divergences in the percentage relationships shown for individual municipalities in Table 6 should be viewed in the light of dissimilarities in province-to-province allocation of responsibilities between provincial and municipal governments, of variations in the levels or frequency of services provided, and of different methods of financing.

Finally, Table 6 excludes all special levies made by a municipality for services supplied to certain cadastral areas rather than throughout the municipality, for local improvements, and for services which are financed in a few instances by taxation rather than by service charges (e.g. water taxes, based on rental value of the property, in lieu of the normal charges for quantities of water consumed).

#### NOTE

Where a metropolitan or regional tax is levied, it is added to the local tax and is so indicated by an asterisk. Municipalities in Census Metropolitan Areas are listed under the name of the area; if the area is represented only by its major city, the city is indicated as the centre of a Census Metropolitan Area by a double asterisk.

TABLE 6. Real Property Taxation in Relation to Market Value by Province and Municipality

		Real property	y taxation as a pe	rcentage of mark	et value	
Province and municipality	Residential			Commercial		
	Local	School	Total	Local	School	Total
			per ce	nt	'	
Newfoundland:	1			00	0.7	1.0
Cornerbrook, city	.83	. 37	1. 20	. 83	. 37	1.2
Prince Edward Island						
Charlottetown, city	1.83		1.83	1.83		1.8
Nova Scotia:  Halifax Census Metropolitan <sup>1</sup> Area:						
Halifax, city	1.88		1.88	4.51		4.5
Dartmouth, city	1.45	1.15	2.60	1.63	1.29	2.9
Sydney, city	3.16		3. 16	3.44		3.4
Amherst, town	2. 78		2.78	2.78		2.7
Glace Bay, town	2.52	.02	2.54	2.65	.03	2.6
Truro, town	2.60		2. 60	2.60		2.6
New Brunswick:						
A provincial tax² of 1.5% is imposed on municipal ratable property to pay for the administration of education, health, welfare and justice, formerly the responsibilities of municipalities prior to 1967.						
Saint John, city	1.09		1.09	1.09		1.0
Campbellton, city	.75		. 75	. 75		.7
Edmundston, city	1.06		1.06	1.06		1.0
Fredericton, city	. 68		. 68	. 68		.6
Moncton, city	. 77		.77	. 77		
Quebec;						
Montréal Census Metropolitan¹ Area:						
Montréal city (May 1, 1969 to April 30, 1970)	3	3	3	3	3	3
Lachine, city	1.08	1.37	2.45	1.08	2.40	3.4
LaSalle, city	1.87	1.46	3.33	1.86	1.46	3.3
Montréal North, city	1.12	1.40	2.52	1.12	2. 52	3.6
Outremont, city	1.52	1.61	3.13	1.52	2.48	4.0
Pointe Claire, city	.73	1. 18	1.91	.93	1.38	2.3
St. Laurent, city	. 98	1.95	2.93	.98	3.09	3.5
Westmount, city	1. 10 1. 20	1.47	2. 57	1.10	2. 48	3.6
Mount Royal, town	. 98	1.49	2.47	.98	2. 40	3.5
Québec Census Metropolitan¹ Area:		1. 10	2. 1	. 30	2, 00	
Québec, city	.98	1.64	2.62	.98	1.85	2.8
Lévis, city	.81	2.00	2.81	. 81	2.00	2.8
Sillery, city	.67	1.64	2. 31	. 67	1.54	2.5
Chicoutimi, city	1. 11	1.67	2.78	1.11	1.67	2.
Granby, city	1.39	1.51	2.90	1.39	1.51	2.9
Hull, city (May 1, 1969 to April 30, 1970)	1.08	1.32	2. 40	1.08	1.32	2.
Johette, city	.98	1.35	2.33	.98	1.35	2.3
Jonquière, city	.95	1.75	2.70	. 95	1.75	2.
Rouyn, city	1. 27	1.89	3. 16	1.27	1.88	3.
St. Hyacinthe, city	1.09	1.50	2. 59	1.09	1.50	2.3
St. Jérome, city	1.83	1.30	3.13	1.79	1, 27	3.6
Salaberry-de-Valleyfield, city	00		3	3	3	3
Shawinigan, city Sherbrooke, city	.99	1.71	2.70	. 99	1.71	2.3
		1.47	2.31	. 84	1.47	3. 3
Trois-Rivières, city	1.36	1.80	3. 16	1.36	1. 80	

See footnote(s) at end of table.

TABLE 6. Real Property Taxation in Relation to Market Value by Province and Municipality - Continued

	Real property taxation as a percentage of market value						
Province and municipality		Residential		Commercial			
	Local	School	Total	Local	School	Total	
ario:			per ce	nt			
Coronto Census Metropolitan¹ Area:							
Toronto, city*	3	3	3	3	3	3	
Etobicoke, borough*	.92	1.08	2.00	1.80	2.00	3.8	
Scarborough, borough*	. 99	1. 10	2.09	2.04	2.14	4.1	
York, borough*	1. 27	1. 29	2. 56	1.79	1.72	3.5	
York East, borough*	.77	.96	1.73	1.50	1.79	3. 2	
York North, borough*	1.04	1.35	2.40	1.72	2.13	3.8	
amilton Census Metropolitan¹ Area:					To the same of the		
Hamilton, city	.99	.91	1.90	1.64	1.52	3.1	
Burlington, town*	1.40	1.03	2.43	1.88	1.46	3.3	
ondon Census Metropolitan¹ Area:				2.00	1.40	3.3	
London, city	1.79	1 51	2 00				
Westminster, twp.		1.51	3.30	2.22	1.92	4.1	
	. 56	.87	1. 43	. 63	.98	1.6	
ttawa Census Metropolitan' Area:							
Ottawa, city*	1.09	1.51	2.60	1.29	1.68	2.9	
Vanier, city*	1.95	1.36	3.31	2.25	1.48	3.7	
arrie, city	1.37	1.18	2.55	1.49	1.32	2.8	
elleville, city	1.64	.93	2.57	1.78	1.03	2.8	
rantford, city	1.78	1.19	2.97	1.82	1. 24	3.0	
rockville, city	1.40	1.20	2.60	1.50	1.42	2.9	
hatham, city	1.87	1.58	3.45	2.07	1.76	3.8	
ornwall, city	1.87	1.69	3.56	2.27	2.03	4.3	
alt, city	1.79	1.28	3.07	1.96	1.42	3.3	
uelph, city	1.39	1.15	2.54	1.52	1.27	2.7	
ingston, city	1.52	1.23	2.75	1.65	1.36	3.0	
itchener, city**	1.23	1.12	2.35	1.36	1.24	2.60	
iagara Falls, city	1.31	1.16	2.47	1.77	1.82	3.5	
orth Bay, city	1.00	1.04	2.04	1.68	1.73	3.42	
shawa, city	1.71	1.12	2.83	1.84	1. 25	3.09	
wen Sound, city	1.67	1.32	2.99	1.84	1.47	3.31	
eterborough, city	1.47	1.29	2.76	1.61	1.43	3.04	
. Thomas, city	2.14	1.58	3.72	2.32	1.75	4.07	
amia, city	1.73	1.46	3. 19	1.88	1.62	3.50	
ault Ste. Marie, city	1.77	1.41	3.18	1.78	1. 59	3.37	
ratford, city	2.01	1.26	3.27	2. 17	1.40	3.57	
dbury, city**	1.15	1.43	2.58	1.36	1.66	3.02	
hunder Bay, city	1.63	1.12	2.75	1.82	1.25	3.07	
elland, city	1.45	1.47	2.92	1.70	1.64	3.34	
indsor, city**	1.61	1.10	2.71	1.75	1.22	2.97	
oodstock, city	1.07	1.05	2.12	1.63	1.61	3.24	
immins, town	1.39	1.44	2. 83	1.68	1.66	3.34	
itoba:							
innipeg Census Metropolitan¹ Area:							
Winnipeg, city*	1.43	1. 12	2.55	1.48	2. 08	3.56	
East Kildonan, city*	1.33	1.37	2.70	1.36	2.35	3.71	
St. Boniface, city*:							
St. Boniface school division	1.27	1.28	2.55	1.31	2.25	3.56	
Norwood school division	1.27	1.08	2.35	1.31	2.03	3.34	
St. James, city*	1.25	1,42	2.67	1.24	2.62	3.86	
St. Vital, city*	1. 16	1.39	2.55	1.19	2.39	3.58	
Transcona, city*	1.32	1.06	2.38	1.39	1.98	3.37	
West Kildonan, city*	1.33	1.47	2.80	1.28	2.31	3.59	
Fort Garry, Rural Municipality (Suburban)*	1.33	1.26	2.59	1.37	2.20	3.57	
randon, city	2.37	1. 18	3.55	1.51	1. 58	3.09	
in Flon, town	2.01	2.02	3.64	1. 16	1.00	3.54	

See footnote(s) at end of table.

TABLE 6. Real Property Taxation in Relation to Market Value by Province and Municipality - Concluded

	Real property taxation as a percentage of market value						
Province and municipality	Residential			Commercial			
	Local	School	Total	Local	School	Total	
			per ce	nt			
Saskatchewan:			2.64	1.54	1.77	3.	
Moose Jaw, city	1.23	1.41	2.64	.95	1.02	1	
North Battleford, city	.92	1.85	3. 23	1.55	2.07	3.	
Prince Albert	1.38	1.36	2.65	1.13	1. 20	2	
Regina city**	1.02	1.63	2.65	1.03	1.67	2	
Saskatoon, city	.66	1.16	1.82	.72	1.27	1.	
Swift Current	. 69	1. 43	2.12	.75	1. 56	2	
Alberta:		1					
Calgary, city**	.76	1.42	2, 18	.81	1.52	2	
Edmonton, city**	. 75	1.42	2.17	.79	1.49	2	
Grande Prairie, city.	1.32	1. 28	2.60	1.54	1.48	3.	
Lethbridge, city	. 96	1.24	2, 20	.95	1.22	2.	
Medicine Hat, city	. 68	2.10	2.78	. 50	1.56	2	
Red Deer, city	1.26	1.50	2.76	1.31	1.55	2	
British Columbia:							
Vancouver Census Metropolitan <sup>1</sup> Area:							
Vancouver, city	1.23	1.05	2.28	1.26	1.08	2	
New Westminster, city	1.10	.97	2.07	1.05	.94	1.	
North Vancouver, city	1.00	1.19	2.19	.97	1.16	2	
Burnaby, district	1.24	1.36	2.60	1.24	1.29	2	
Coquitlam, district	1.06	.99	2.05	1.32	1.24	2.	
North Vancouver, district	.96	1.28	2, 24	.94	1.24	2	
Richmond, district	1.27	. 87	2.14	1.28	.87	2.	
Surrey, district	1.04	. 89	1.93	1.02	. 88	1.	
West Vancouver, district	.94	.99	1.93	.91	.97	1.	
Victoria Census Metropolitan <sup>1</sup> Area:							
Victoria, city	1.06	. 86	1.92	1.08	. 87	1.	
Esquimalt, district	.96	.87	1.83	.98	.88	1.	
Oak Bay, district	.96	.83	1.79	1.00	. 87	1.	
Saanich, district	. 98	. 79	1.77	. 99	. 80	1.	
Dawson Creek, city	1.58	1.56	3.14	1.35	1.33	2.	
Kamloops, city	1.91	1.39	3.30	1.94	1.61	3.	
Kelowna, city	1.44	1.14	2.58	1.80	1.43	3.	
Nanaimo, city	1.67	1.10	2.77	1.77	1.17	2.	
Penticton, city	1.09	1.23	2.32	1,10	1.19	2.	
Prince George, city	1.66	1.25	2.91	1.73	1. 27	3.	
Prince Rupert, city	1.33	1.04	2.37	1,36	1.07	2.	
Trail, city	1.65	1.28	2.93	1.72	1.30	3.	
Vernon, city	1.64	1.37	3.01	1.67	1.39	3.	
Yukon Territory:							
Dawson, city	2. 53	1.04	3.57	2. 53	1.04	3.	
	1.28	.96	2. 24	1.28	. 96	2.	
Northwest Territories:	3						
Hay River, town	3	3	3	3	3	3	
Yellowknife, town		3	3	3	3	3	

Census Metropolitan Areas, see page 39 for explanation.
 See commentary page 39.
 Not available at time of publication.









CATALOGUE No. 68-201

ANNUAL



W

# PRINCIPAL TAXES AND RATES

# FEDERAL, PROVINCIAL AND LOCAL GOVERNMENTS

1971



DOMINION BUREAU OF STATISTICS



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Governments Division

# PRINCIPAL TAXES AND RATES

FEDERAL, PROVINCIAL AND LOCAL GOVERNMENTS

1971

Published by Authority of
The Minister of Industry, Trade and Commerce

November 1971 8502-504

Price: 75 cents



CATALOGUE NO.

68-201

ANNUAL

### Principal Taxes and Rates, 1971

### Addendum

Changes in Present Publication as a Result of
Special Statement made by Minister of Finance on Oct. 14,1971

The rates appearing in this publication in respect of federal personal and corporation income taxes have been altered by certain measures introduced by the Minister of Finance on October 14, 1971. These measures which are designed essentially to stimulate the rate of growth of employment included certain tax cuts which in 1971 are as follows:

- (a) 1 1/2% of the tax otherwise payable by individuals under

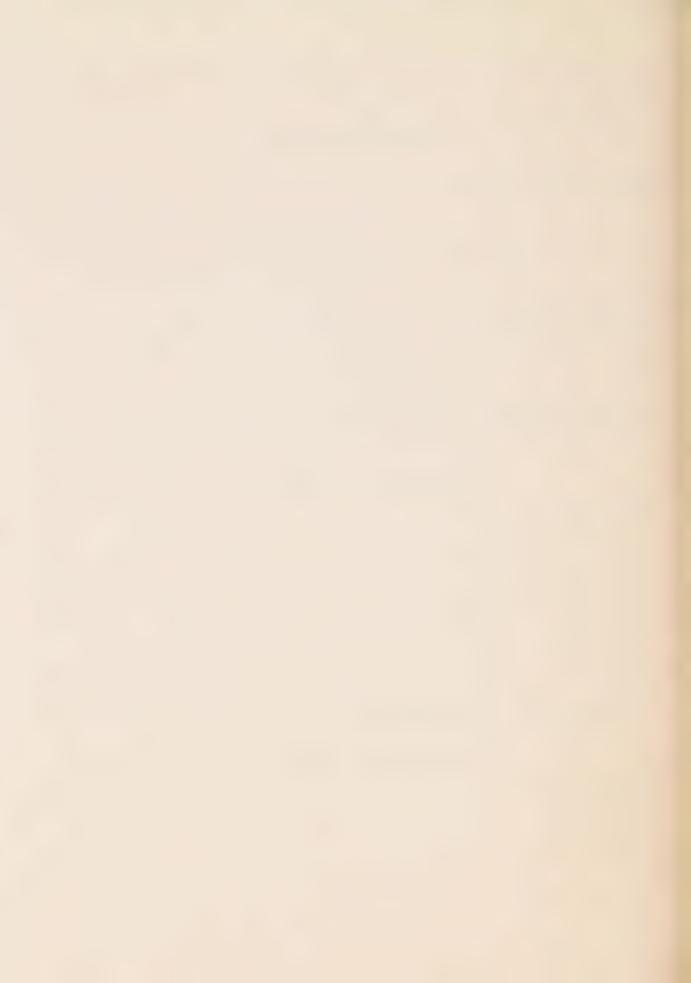
  Part 1 of the Income Tax Act computed according to the

  schedule of rates appearing on page 10 of this publication;
- (b) a reduction, effective July 1, 1971, of 7% in the rates of corporation income tax imposed under Parts I and II of the Income Tax Act as shown on page 10 of this publication (14% instead of 21% on the first \$35,000 of taxable income, and 43% on taxable income in excess of \$35,000).



### TABLE OF CONTENTS

	Page
Introduction and General Commentary	5
PART I Income Cift and Estate Course and C	
PART I. Income, Gift and Estate Taxes and Succession Duties	
Table	
1. Income, Gift and Estate Taxes levied by the Government of Canada	10
2. Income Tax and Succession Duties levied by Provinces	12
	14
PART II Customs Duties Everise and Coneral Sales Terra	
PART II. Customs Duties, Excise and General Sales Taxes	
3. Customs Duties, Excise and General Sales Taxes levied by the Government of Canada	19
4. General Sales Tax levied by the Government of Canada and the Provinces	20
PART III. Miscellaneous Provincial Taxes	
TAKT III. MISCEITANEOUS Provincial Taxes	
5. Miscellaneous Provincial Taxes:	
Amusement Tax	24
Fuel Tax	24
Motor vehicle licences and fees	26
Insurance Tax (fire and life)	26
Insurance Tax (hospital and medicare)	28
Logging Tax	30
Mining Tax	30
Race Track Tax	32
Tobacco Tax	32
Miscellaneous Taxes (alcoholic beverages tax, land transfer tax, meals and lodging tax, security transfer tax, telecommunications taxes, etc.)	34
PART IV. Real Property Taxes	
Provincial and Local Governments	39



### INTRODUCTION

This publication is the twentieth in the annual series "Principal Taxes and Rates". The purpose of the report is to present concise data on the more important revenue-producing taxes imposed in Canada.

The format of this edition has been designed to facilitate comparisons of like taxes in different jurisdictions.

The publication is divided into four parts, as follows:

Part I: Income, gift and estate taxes and succession duties, levied by federal and provincial governments.

Part II: Custom duties, excise and general sales taxes.

Part III: Other important taxes and rates levied by provincial and territorial governments.

Part IV: Real property taxes.

All quoted taxes and rates are those that were announced prior to July 31, 1971.

### **GENERAL COMMENTARY**

Canada is a federal state with a central government and ten provincial governments. In 1867 the principal colonies of the British Crown in North America joined together to form the nucleus of a new nation, and the British North America Act of that year became its written constitution. This statute created a central government with certain powers while continuing the existence of political subdivisions called provinces with powers of their own.

Under the British North America Act the Parliament of Canada has the right to raise "money by any mode or system of taxation" while the provincial legislatures are restricted to "direct taxation within the province in order to the raising of a revenue for provincial purposes". Thus the provinces have a right to share only in the field of direct taxation while the federal government is not restricted in any way in matters of taxation. The British North America Act also empowered the provincial legislatures to make laws regarding "municipal institutions in the province". This means that municipalities derive their incorporation with its associated powers, fiscal and otherwise, from the provincial government concerned. Thus, municipalities are also limited to direct taxation.

A direct tax is generally recognized as one "which is demanded from the very person who it is intended or desired should pay it". This concept has limited the provincial governments to the imposition of income tax, retail sales tax, succession duties and an assortment of other direct levies. In turn, municipalities, acting under the guidance of provincial legislation, tax real estate, water consumption and places of business. The federal government levies direct taxes on income, on gifts, and on the estates of deceased persons and indirect taxes such as excise taxes, excise and customs duties, and a sales tax,

The increasing use by both the federal and the provincial governments of their rights in the field of direct taxation in the 1930's resulted in duplication of administration and in some severe tax levies. In 1941, a federal-provincial tax-sharing agreement was concluded to help finance the war effort. Its principal aim was to ensure an orderly imposition of direct taxes. The success

of this initiative was such that a similar scheme was worked out between the federal government and most of the provinces after the end of the war. Since then, tax-sharing agreements have been periodically negotiated between the two levels of government, normally for five-year periods. Under the earlier agreements the participating provinces undertook, in return for compensation, not to impose, or permit their municipalities to use, certain of the direct taxes. Under the present arrangements the federal income tax otherwise payable in all provinces and the estate tax otherwise payable in three provinces are abated by certain percentages to facilitate the imposition of provincial levies.

The current arrangements became operative on April 1st, 1962 and were originally scheduled to terminate on March 31st, 1967; they have, however, been extended indefinitely, subject to termination on due notice. They amount to a partial federal withdrawal from the field of direct taxation and a re-entry of all provinces into the vacated area. The federal personal income tax otherwise payable on income earned in a province and on income received by residents of all provinces (except Quebec) is reduced by:

16 p.c. for the 1962 taxation year

17 p.c. for the 1963 taxation year

18 p.c. for the 1964 taxation year

21 p.c. for the 1965 taxation year

24 p.c. for the 1966 taxation year

28 p.c. for the 1967 and subsequent taxation years.

The tax abatements in respect of income earned in Quebec or received by a resident of Quebec are 44 p.c. for the 1965 taxation year, 47 p.c. for the 1966 taxation year and 50 p.c. for the 1967 and subsequent taxation years.

The federal government also reduces its rate of corporation income tax on the taxable income of corporations earned in the provinces. The reduction was 9 p.c. of taxable income earned in any province except Quebec and 10 p.c. of taxable income earned in Quebec for the years 1962 to 1966 inclusive. The additional 1 p.c. reduction in respect of taxable income earned in the province of Quebec for these years was to compensate for the additional tax levied by the province during this

period on corporation income to provide grants to universities. These provincial grants replaced federal government grants which in other provinces were paid to the universities by the federal government through the Canadian Universities Foundation. For 1967 and subsequent years, with the termination of direct federal financial assistance to universities, the abatement of the federal rate of corporation income tax is 10 p.c. of taxable income in all provinces.

The federal government also abates the federal estate tax otherwise payable by 75 p.c. in respect of property situated in a province which levies its own death tax. Only Ontario, Quebec and British Columbia presently levy death taxes in the form of succession duties.

These reductions in federal income tax and estate tax do not apply to the Yukon or the Northwest Territories or to income earned outside Canada. The Yukon and Northwest Territories do not impose income or inheritance taxes.

The provincial tax rates are not restricted to the extent of the federal withdrawal. The constitutional position of the provinces permits them unlimited use of direct taxes for the raising of revenue for provincial purposes. In three provinces (Nova Scotia, Ontario and British Columbia) the provincial rates of personal income tax are equal to the federal abatement; in six provinces (Newfoundland, Prince Edward Island, New Brunswick, Manitoba, Saskatchewan and Alberta) the federal abatement is exceeded; and Quebec, which has no personal income tax collection agreement with the federal government, administers its own personal income tax under a rate schedule which is structured to give effect to the 50 p.c. federal abatement.

As part of the current fiscal arrangements the federal government has entered into tax collection agreements under which it collects the provincial personal income taxes for all provinces except Quebec, and the provincial corporation income taxes for all provinces except Ontario and Quebec.

#### NOTE

In the tables following, the statutory authority, under which taxes are levied at the federal and provincial levels of government, has been indicated. The proper name of the statute or revised statute is ended by a semi-colon. Following in order, are the year during which the statute or revised statute was published, its chapter, and a statement as to whether there have been subsequent amendments to it; i.e. Income Tax Act, 1961; 1961, c 8, and amendments.

<sup>&</sup>lt;sup>1</sup> The original agreement was for a 50 p.c. abatement. However, at the conclusion of a federal provincial conference in late 1963, it was increased to 75 p.c. in respect of deaths occurring after March 31, 1964. Currently only the estates of domiciliaries of British Columbia qualify for the full 75 p.c. abatement. Quebec and Ontario estates are temporarily eligible for only 50 p.c. because these two provinces have elected for the time being to take a payment from the federal government on account of the additional 25 p.c. abatement rather than to increase their succession duty rates.

## PART I

INCOME, GIFT AND ESTATE TAXES AND SUCCESSION DUTIES



## INCOME TAX -- FEDERAL

Under the Income Tax Act of Canada, tax is levied on the taxable income of individuals and corporations resident in Canada and on the taxable income of non-residents employed or carrying on business in Canada at any time during the year. A withholding tax at the rate of 15 p.c. is levied on dividends, interest (other than interest on bonds of, or guaranteed by, a Canadian government and issued after April 15, 1966, interest on certain bonds issued before December 20, 1966, and interest paid to certain exempt lenders) and similar payments from persons in Canada to non-residents. This tax is 10 p.c. on dividends paid by companies which have a "degree of Canadian ownership". The Income Tax Act also imposes a tax on the taxable value of gifts made in the year. Canada has entered into income tax conventions with fifteen countries in order to avoid double taxation and to prevent fiscal evasion. In addition to being subject to the standard income tax, the taxable income of individuals bears old age security and social development taxes and the taxable income of corporations bears old age security tax.

For the 1971 taxation year, under the terms of the current federal - provincial fiscal arrangements, the federal government reduces its "basic tax" for individuals who reside or earn income in a province other than Quebec by 28 p.c. This reduction is 50 p.c. for individuals who reside or earn income in Quebec. The higher federal abatement for individuals in Quebec is to permit that province to levy its own taxes to raise revenue necessary to pay for the full cost of certain programs which are paid for in part by the federal government in other provinces. The federal government also reduces its corporation income tax otherwise payable by 10 p.c. of taxable income earned in a province.

The 1971 Budget was presented to Parliament on June 18, 1971. It proposed several important changes in federal income taxation. The changes in personal income tax included the following:

The guaranteed income supplement payable under the Old Age Security Act, and similar provincial payments is to be made deductible for purposes of computing the taxable income of the recipient (but not for computing the income of a dependant); the rates of tax payable by an individual on his taxable income are to be reduced for taxable incomes of less than \$3,000, with the rate on taxable incomes of \$500 or under to be reduced to nil; Social Development Tax is to be reduced by the lesser of 2 p.c. on taxable income or \$20 (which eliminates this tax on the first \$1,000 of taxable income); the special reduction, allowed for some years up to 1970, of the lesser of 20 p.c. of basic tax or \$20 is to be repealed; and the temporary 3 p.c. surtax imposed on personal income tax in excess of \$200, since 1968, is to be reduced to 1 1/2 p.c. All of these changes are to have effect for the full year 1971. The surtax is not to apply after 1971. (For most individuals the 3 p.c. surtax will cease at mid-year, producing an average rate of 1 1/2 p.c. for the full year.)

In the Budget it was also proposed that the 3 p.c. surtax on the taxable income of corporations imposed in 1968 in respect of taxable income earned between 1967 and 1970 (which was extended to include taxable income earned in 1970 and 1971) be repealed with respect to taxable income earned after June 30, 1971.

The Budget also contained proposals for the reform of the income tax on individuals and corporations, to commence in general in 1972, if approved by Parliament. A description of these proposals will be set out in the 1972 issue of this publication.

<sup>1</sup> For the definition of "basic tax" see Table 1 footnote 1 on page 11.

TABLE 1. Income, Gift and Estate Taxes levied by the Government of Canada

Category	Statutory authority	Basis of measurement of tax	Rate	Exemptions, deductions, tax credits, etc.
Income tax	Income Tax Act; (Part I), R.S. 1952, c 148, and amendments	Taxable income of individuals	Personal income tax schedule:  nil on first \$500 of taxable income nil "\$ 500 plus 16% on next \$ 1,500 \$ 240 " 2,000 " 18% " " 1,000 420 " 3,000 " 19% " 2,000 1,050 " 6,000 " 22% " " 2,000 1,570 " 8,000 " 30% " " 2,000 2,170 " 10,000 " 35% " " 2,000 2,870 " 12,000 " 45% " 10,000 8,570 " 25,000 " 50% " 15,000 16,070 " 40,000 " 55% " 20,000 27,070 " 60,000 " 66% " 30,000 45,070 " 90,000 " 65% " 35,000 137,820 " 225,000 " 75% " 175,000 269,070 " 400,000 " 80% on excess	Main exemptions and deductions from to income to arrive at "taxable income" at For single status
	Income Tax Act (Part IA)	"Basic" personal income tax in excess of \$200	3% (applicable in respect of 1968, 1969 and 1970 taxable ble income) and reduced to 1½% for 1971 taxable	province other than Quebec is abated in 28%; that of an individual resident Quebec is abated by 50%.
	Income Tax Act (Part I)	Investment income from sources outside Canada	income) 4% of "basic" personal income tax	Deductions from total investment incom \$2,400 or the total of personal exemption whichever is greater plus allowable char table donations and medical expenses. Excludes rental income from real property.
	Income Tax Act (Part IB) (Social Development tax)	Taxable income of individuals	2% of taxable income in excess of \$1,000 with maximum of \$100.	and the follows shown from four proposity.
	Old Age Secu- rity Act; R.S. 1952, c 200, and amendments	Taxable income of individuals	4% of taxable income with maximum of \$240	
	Income Tax Act (Parts I and II) and Old Age Security	Taxable income of corporations resident in Canada or doing busi-	(a) 21% (including Old Age Security Tax of 3%) of the amount taxable, if the amount taxable does not exceed \$35,000 and (b) \$7,350 plus 50% (including Old Age Security tax of 3%) of the amount by which the amount taxable exceeds \$35,000	Corporations are allowed a tax credit equ to 10% of their taxable earnings in a province. <sup>2</sup>
	Income Tax Act (Part 1A)	Corporation income tax ex- clusive of old age secu- rity tax but before federal abatement <sup>3</sup>	applicable only in respect of 1968, 1969, 1970 and 1971 taxable income earned prior to June 30, 1971.	
Withholding tax	Income Tax Act  (Part III)	On certain payments and credits to non-residents	10% on dividends paid to non-residents by corporations "having a degree of Canadian ownership" (25% of voting equity stock) and on rentals of motion picture films and TV tapes; 15% on interest, dividends, management fees, rents, royalties, alimony, patronage dividends and in all other instances	Interest on bonds or obligations issui- after April 15, 1966 by the Government Canada or any of the provinces, by al agent of a province, educational institution or hospital with provincial guarantee or l any municipal or local government esta lished under provincial law. Interest on certain bonds issued befo December 20, 1960. Interest payments to non-residents who a exempt from income tax in own count
	Income Tax Act (Part III)	Profits of non-resident corporations carrying on business in Canada	15%	of residence.  Deductions from taxable income earned Canada: Federal and provincial income taxes.  allowance in respect of net increases capital investment in property in Canada.
Gift tax	Income Tax Act (Part IV) <sup>6</sup>	Cumulative total of taxable part of all gifts (i.e. the aggregate of the taxable values of all gifts made after October 22, 1968, up to the end of the year for which tax is being calculated)	The rates of tax range from 12% on a cumulative gift sum of \$15,000 or less, to 75% where the cumulative gift sum exceeds \$200,000. The tax so computed is reduced by the amount determined by applying the rates to the cumulative gift sum for the immediately preceding taxation year.	Exemptions: The first \$2,000 per annum given to each ind vidual; a complete exemption for outrig gifts and exclusive life interest to a spousan exemption of \$10,000 for a once in a lift time gift of farm property from one parent one child; and all gifts to governments are charity.

TABLE 1. Income, Gift and Estate Taxes levied by the Government of Canada - Concluded

Category	Statutory authority	Basis of measurement of tax	Rate	Exemptions, deductions, tax credits, etc.
state tax	Estate Tax Act; (Part I) 1958, c 29, and amendments	Aggregate taxable value of estate of a person dying domiciled in Canada	Estate Tax Rate Schedule:  \$ 0 on 20,000 + 15% on next 20,000 3,000 " 40,000 + 18% " " 20,000 6,600 " 60,000 + 21% " 20,000 10,800 " 80,000 + 24% " 20,000 23,700 " 130,000 + 30% " 30,000 32,700 " 160,000 + 35% " 40,000 46,700 " 200,000 + 40% " 50,500 66,700 " 250,000 + 45% " 50,000 89,200 " 300,000 + 50% " excess	Estates whose aggregate net value do not exceed \$50,000 are not taxable. (This figure of \$50,000 is not a deductible exemption but simply an amount at or below which no tax is levied). Main exemptions and deductions:  Bona fide debts, reasonable funeral expenses and probate fees, (but not including solicitor's charges or the expenses of administering property or executing any trust created by the deceased). Gifts to approved charitable organizations in Canada.  Gifts to federal, provincial or municipal governments.  Outright gifts and exclusive life interests, including annuities and pensions passing to a spouse.  The exemption for bequests to adult children is the lesser of \$10,000 or the value of the bequest.  The exemption for bequests to children dependent because of age is the lesser of the value of the bequest or \$10,000 plus \$1,000 for each full year remaining until the child reaches age 26, to a maximum additional amount of \$25,000.  The exemption for a child dependent because of infirmity is \$10,000 plus \$1,000 times the number of years until he or she reaches 71. A tax abatement of part of the federal estate tax otherwise payable in respect of property situated in a province which levies its own succession duties. See commentary.
	Estate Tax Act (Part II)	Aggregate taxable value of property situated in Canada of a person dying domiciled outside of Canada	Same Tax Rate Schedule as above	Main exemptions and deductions:  Debts specifically chargeable to the property.  A tax abatement of part of the federal tax otherwise payable in respect of property on which provincial succession duty has been paid. The Act provides that an estate of an aggregate value of less than \$5,000 be exempt and that the tax must not reduce the value of the property to less than \$5,000.5

1 "Basic tax" is personal income tax at full graduated rates after deduction of the dividend tax credit but before abatement for provincial income tax and luding social development and old age security taxes.

See commentary on page 5, re Federal-Provincial Fiscal Arrangements.

See commentary on page 9 for further information.

See commentary on page 9 for further information.

See commentary on page 9, re income tax conventions with certain countries.

Under the terms of the Canada-United States Estate Tax Convention, the amount is \$15,000, retroactive to January 1, 1959.

The tax reform proposals contained in the Budget Speech of June 18th included a proposal that Part IV of the Income Tax Act (the gift tax provisions) the Estate Tax Act not apply in respect of gifts made or deaths occurring after 1971.

## INCOME TAX - PROVINCIAL

In every province, a tax is levied on the income of dividuals who reside or, in the case of a non-resident of anada, who earn income within its boundaries. With the ception of Quebec, this tax is computed as a percentage of e federal "basic tax",1 and is collected by the federal govnment under agreement with the provinces. In the provce of Quebec, provincial income tax is levied at graduated tes that progress from 5.5 p.c. on the first \$1,000 of xable income to a maximum of 40.0 p.c. on the excess 100,000. Current Quebec legislation provides for a tempory surtax of 6 p.c. effective in 1968, 1969, 1970, and 1971. he determination of taxable income for Quebec tax puroses is based on exemptions and deductions which, with the ception of deductions for dependent children eligible for mily allowances,<sup>2</sup> are similar to those used for federal tax irposes. Exemptions of tax are granted to every Quebec xpayer whose net income does not exceed \$4,000 if he is a arried person who supported his spouse (or equivalent) and

1 For definition of "basic tax" see Table 1 footnote 1 on

ge 11.

The province of Quebec has a family allowance program
The Quebec program pronich supplements the federal program. The Quebec program proles for allowances which increase from \$30 per annum for a first ild to a maximum of \$70 per annum for a sixth and for each ditional child. The Quebec program is in lieu of exemptions for ovincial income tax purposes for children eligible for family owances.

\$2,000 in other cases. The province of Quebec collects its own tax.

Of the basic federal tax payable, provincial rates in 1971 are as follows: Manitoba, 39 p.c.; New Brunswick, 38 p.c.; Saskatchewan, 34 p.c.; Newfoundland, Prince Edward Island and Alberta, 33 p.c.; Quebec, under its own rate schedule, at the equivalent of 50 p.c. plus 6 p.c. of the provincial tax payable; all other provinces, 28 p.c.

All provinces levy a tax on corporation profits derived from activities carried on within their jurisdictions. In all provinces except Ontario and Quebec, the provincial corporation tax is imposed and determined on the same basis as is the relevant federal income tax. In Ontario and Quebec the determination of taxable profits for purposes of provincial tax follows closely, but not exactly, the federal rules.

The rate of tax in the provinces is as follows: Prince Edward Island, Nova Scotia, New Brunswick and British Columbia - 10 p.c.; Saskatchewan and Alberta - 11 p.c.; Quebec and Ontario - 12 p.c.; Manitoba and Newfoundland - 13 p.c.

All provinces except Quebec and Ontario have signed agreements with the federal government for the collection of provincial corporate income taxes by the federal government.

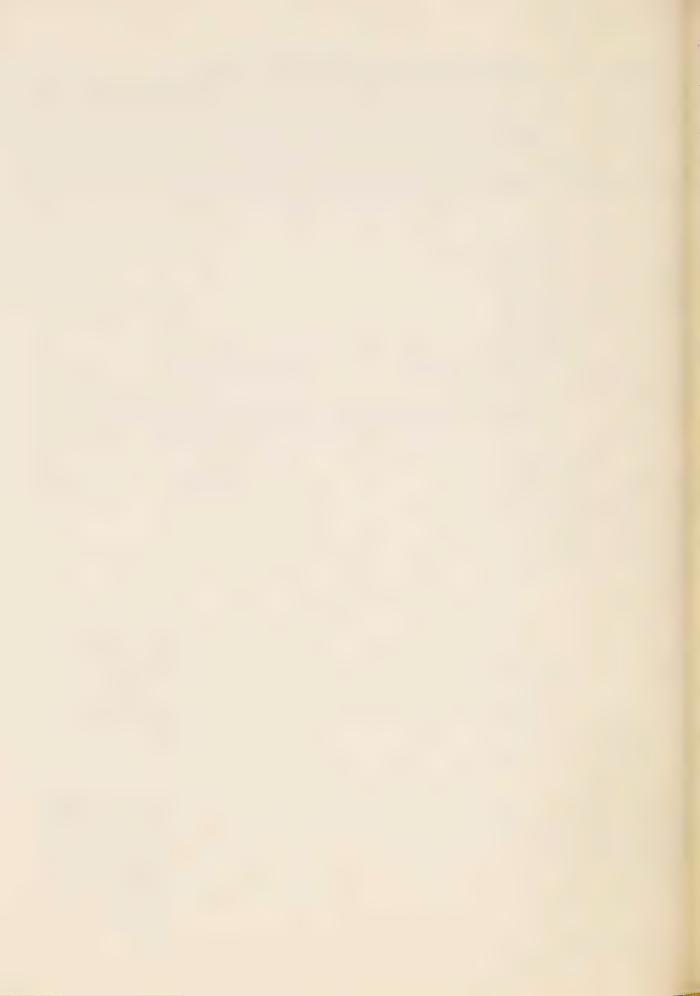
TABLE 2. Income Tax and Succession Duties levied by Provinces

	TABLE 2. Income Tax and Succession Duties levied by Provinces								
No.	Category	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec			
1	Income tax — Individuals: Statutory authority	1961; (2nd session), No. 1, and amendments.	The Income Tax Act, 1961; (second ses- sion) c 1, and a- mendments.	Income Tax Act, RS 1967, c 134 and amendments.	1961; 1961-62, c 2, and amend- ments.	Provincial Income Tax Act; R.S. 1964, c 69 a amendments.			
2	Basis	Taxable income of individuals	Taxable income of individuals	Taxable income of individuals	individuals	Taxable income of individuals			
3	Rate	33% of federal "basic tax" Levied under the Income Tax Act (Canada).	33% of federal ''basic tax'' levied under the Income Tax Act(Canada).	28% of federal "bas- ic tax" levied under the Income Tax Act (Canada).	38% of federal "bas- ic tax" levied under the Income Tax Act(Canada).	5.5% on first \$1,000 of taxable income \$ 55 on \$1,000 plus 7.0% on next \$ 1,000 plus 7.0% on plu			
4	Comments	Effective July 1, 1969, the rate in- creased to 33%.	Effective July 1, 1971, the rate increased to 33%.	1	Effective April 1, 1969, the rate increased to 38%.	Exemptions of tax are granted to every Quebec to payer whose net income does not exceed \$4,000 he is a married person who supported his spou (or equivalent) and \$2,000 in other cases.			
5	Income tax — Corporations: Statutory authority	The Income Tax Act, 1961; (2nd ses- sion), No. 1, and	The Income Tax Act, 1961; (second session) c 1, and a-	Income Tax Act, RS 1967, c. 134 and amendments.	Income Tax Act, 1961; 1961-62, c 2, and amend-	Corporation Tax Act; R.S. 1964, c 67, and amer ments.			
ь	Basis	amendments.  Taxable income of corporations.	mendments.  Taxable income of corporations.	Taxable income of corporations.	Taxable income of corporations.	12% — taxable income 1/5 of 1% — paid-up capital			
7	Rate	13% Effective January 1, 1969 the rate increased to 13% from 12%.	10%	10%	10%	\$25 to \$50 - place of business  Other rates and/or bases of taxation apply to cert classes of corporations, i.e. insurance, lo navigation, telegraph, telephone, railway, natt gas, electricity, gasoline, liquor, brewery, various public utility companies.			
	Succession duties:								
9	Statutory authority	• • •				Succession Duties Act; R.S. 1964, c 70, and ame ment.			
11	Basis		' I			Relationship: (1) Direct line (2) Collateral line (3) Strangers			
, 1	Rates					On estate:  1.8% to 15% on direct line 4% "20% on collateral line 10% "30% on strangers On individual's share in estate: 1% to 10% on direct line 1% "10% on collateral line 2% "5% on strangers			
12	Exemptions					Direct line: Total exemption where aggregate value of es does not exceed \$75,000, and where it is enti transmitted in direct line. Where an estate is transmitted entirely in dil line, and where the value of the estate excs \$75,000, the succession duties that are paidn not lower the value of the estate to less \$75,000. Where only part of an estate is transmitted in di line, and where the value of that part exce \$75,000, the succession duties paid must not le the value of that part of the estate transmitted direct line to less than \$75,000. The amount derived from the total contribution m towards a pension plan and the reimbursemer contributions made towards such a plan are cluded from the total value of the estate. Collateral line:			

Collateral line:
Aggregate value of estate not exceeding \$1,000.

TABLE 2. Income Tax and Seccession Duties levied by Provinces

	TABLE 2. Income	Tax and Seccession Duties	levied by Provinces		
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	<u>\</u> \.
ne Income Tax Act; R.S.O. 1950, c 175 and amendments.	The Income Tax Act (Manitoba) 1961; 2nd session, c 1 and amendments.	The Income Tax Act; R.S.S. 1965, c 62 and amendments.	The Alberta Income Tax Act; 1961 (2nd session), c 1 and amendments.	Income Tax Act, 1962; c 27, and amendments.	1
axable income of individuals	Taxable income of individuals	Taxable income of individuals	Taxable income of individuals	Taxable income of individuals	2
% of federal ''basic tax'' levied under the Income Tax Act (Canada).	39% of federal "basic tax" levied under the Income Tax Act (Canada).	34% of federal "basic tax" levied under the Income Tax Act (Canada).	33% of federal "basic tax" levied under the Income Tax Act (Canada).	28% of federal "basic tax" levied under the Income Tax Act (Canada).	3
	Effective January 1, 1970, the rate increased to 39% from 33%.	Effective January 1, 1970, the rate increased to 34% from 33%.	The rate increased to 33% from 28% effective July 1, 1969.		4
e Corporations Tax Act; R.S.O. 1960, c 73 and amendments.	The Income Tax Act (Manitoba) 1961; 2nd session, c 1 and amendments.	The Income Tax Act; R.S.S. 1965, c 62 and amendments.	The Alberta Income Tax Act; 1961 (2nd session), c 1 and amendments.	Income Tax Act, 1962; c 27, and amendments.	5
12% — taxable income 10 of 1% — paid-up capital (minimum \$50.00)	Taxable income of corporations	ŀ			
ner rates and/or bases of taxation apply to certain classes of corporations, i.e. banks, telegraph, bipelines, airlines, insurance, ailway and other transportation companies. In the control of the cont	13% Effective January 1, 1970 the rate increased to 13% from 11%.	11%	11% The rate increased to 11% from 10% effective July 1, 1969.	10%	7 >
e Succession Duty Act; R.S. 1960, 386, and amendments.				Succession Duty Act, R.S. 1960 c 27 and amendments.	S
lationship: 1) Direct line 2) Collateral line 3) Strangers				Relationship: (1) Direct line (2) Collateral line (3) Strangers	10
estate: % to 14% on direct line 5% "17% on collateral line 4% "35% on strangers individual's share in estate: 24% to 15% on direct line 24% "13% on collateral line 24% "35% on strangers and				On individual's share of net value of estate: 3% to 36% on direct line 8% '' 38% on collateral line 134% '' 40% on strangers	7.3
& surtax on tax for collateral line & surtax on tax for strangers ect line -aggregate value of property less than \$100,000; exemption for surviving spouse \$250,000. llateral line - aggregate value of property less than \$20,000, uness share of individual exceeds \$10,000.  angers - aggregate value of property less than \$10,000. angers apply where death occurs in or after April 27, 1971.				Direct line — outright collective exemption to surviving spouse and children (any age) \$60,000; additional exemptions, family home of any value, insurance to \$25,000, and an annuity or pension of up to \$250 a month; outright collective exemption to orphan children (any age) \$50,000 and insurance to \$25,000; other direct line aggregate value of property less than \$50,000.  Collateral line — where aggregate value of property is less than \$25,000.  Strangers — where aggregate valuers and the survey of th	12



# PART II

CUSTOM DUTIES, EXCISE AND GENERAL SALES TAXES



# CUSTOMS DUTIES, EXCISE AND GENERAL SALES TAXES

The Government of Canada imposes a general sales tax on the price of goods manufactured in Canada and on the duty-paid value of imported goods. The rate of tax on most commodities is 12 p.c. consisting of a 9 p.c. tax levied under the Excise Tax Act and a 3 p.c. tax levied under the Old Age Security Act. These taxes are payable by the manufacturer at the time of delivery to the purchaser, or by the importer at the time of importation. Most building materials are taxed at a lower rate of 11 p.c. (8 p.c. excise tax and 3 p.c. old age security tax). Full exemption is allowed on raw materials, a wide range of production goods, and on specified categories of consumption goods and institutional purchases.

In addition to the general sales tax, special excise taxes apply to tobacco products, wines and a narrow

range of consumption goods. These taxes are imposed at the manufacturer's level; some are specific and the remainder are ad valorem.

Under the Excise Act duties are imposed on tobacco and alcoholic products (other than wine) made in Canada. Similar products of foreign origin are subject to customs tariffs of like amounts.

All provinces, except Alberta, impose a retail sales tax on a broad range of consumer goods and services purchased. The rates vary from 5 p.c. to 8 p.c. and details are given in Table 4. Other miscellaneous provincial taxes, rates and fees are summarized in Part III Table 5.



TABLE 3. Customs Duties, Excise and General Sales Taxes levied by the Government of Canada

Category	Statutory authority	Basis and a	rate		Exemptions, deductions, tax credits, etc.
ustoms duties	Customs Tariff; R.S. 1952, c 60 and 316, and amend- ments.		Most — favour special agr ious countr	ential (lowest) ed — nation—under eements with var-	The tariff schedules are too lengthy and complicated to be summarized here. The rates applicable to a particular item may be obtained from the Department of National Revenue.
	Excise Tax Act; (Part I), R.S. 1952, c 100, 319 and 320	Insurance companies: British or foreign companies not authorized to transact business in Canada, or non-resident agents of authorized British or foreign companies.	net premium	10%	Excluding insurance against marine risks, nuclear risks and life, personal accident or sickness insurance.
	and amendments. Excise Act; R.S. 1952, c. 99 and amend- ments.	Tobacco <sup>2</sup> —on domestic production: Manufactured tobacco excluding ciga-	per pound	35¢	Not levied on imports, but the customs tariff on these products is set at a rate to take into account the duties levied on domestic production.
		rettes Cigarettes weighing not more than 3 lbs.	per 1,000	\$4.00	
	ments.	per 1,000 Cigarettes weighing more than 3 lbs. per 1,000	+ 2	\$5.00	
		Cigars Canadian raw leaf tobacco when sold for	* * * * * * * * * * * * * * * * * * *	\$2.00	
		consumption	per pound	10¢	These duties do not apply to denatured alcohol for use
		Alcoholic products:  Domestic potable spirits on the strength of proof distilled in Canada  Non-potable spirits used in the manu-	per proof gal.	\$14.25	in the arts and industries, nor for fuel, light or power for any mechanical purpose, nor do they apply to spirits used in the manufacture of vinegar, to certain spirits used to treat domestic wine, and to spirits used in the manufacture of toilet preparations or
		facture of: Medicines, extracts, pharmaceutical	**	\$1.50	cosmestics subject to special excise tax. The Customs Tariff applies equivalent duties on imports.
		preparations, etc. Approved chemical compositions Spirits sold to druggists and used in	66	15¢ \$1.50	
		preparation of prescriptions Imported spirits taken into bonded manu-	"	30¢	
		factory, in addition to other duties Canadian brandy	**	\$12.25	
		Beer	per gallon	42¢	
cial Excise	ACII (Paris)	Jewellery, clocks, watches	6.6	10%	The Budget Speech on June 18, 1971, announced that
	R.S. 1952,	Toilet articles and cosmetics Playing cards	ner nack	10% 20¢	the special excise tax on radios, phonographs, record players, television sets, electron tubes and cathode
	c 100 and 320 and	Tobacco and smoker's accessories:	per pack	·	ray tubes for T.V. sets would be repealed with effect June 19, 1971. It is expected that the amendment to the Excise Tax Act to implement this proposal will
	amend- ments.	Cigarettes Cigars	per 5 ad valorem	3¢ 17½%	be considered by Parliament in September 1971.
		Matches Lighters	per unit	10% 10¢	
		Cigarettes holders, pipes, etc. Tobacco—manufactured	ad valorem per pound	10% 90¢	
		Wines: Wines of all kinds containing 7% or less	per gallon	25¢	Excluding imports. Customs duties on imports are set
		of absolute alcohol by volume Non-sparkling wines containing more	per garton	50¢	to take into account the taxes levied on domestic production of wines.
		than 7% of absolute alcohol by volume but not over 40% of proof spirits		304	p. outsiton of whites,
		Champagne and sparkling wines	6.6	\$2.50	
		Wines of all kinds containing 7% or less of absolute alchohol by volume	per gallon	2½¢	This levy applies equally to domestic and imported wines.
	1	All other wines	**	5¢	11 212 272

An "ad valorem" tax is levied as a percentage of the value of the goods, which, for tax purposes, includes customs duties in respect of imported goods excise duties in the case of tobacco and alcoholic products manufactured in Canada. Where an article is subject to the general sales tax and to the special set tax, both taxes apply separately to the same value.

Bringing together the taxes imposed on tobacco products under the Excise Tax Act and the duties imposed under the Excise Act, the total taxes on the wing tobacco products are:

Cigarettes -\$10.00 per thousand (or 20¢ per pack of 20 cigarettes) plus the 12% sales tax at the manufacturer's level.

Manufactured tobacco -\$1.25 per pound plus the 12% sales tax at the manufacturer's level.

Cigars - \$2.00 per thousand plus the 17½ p.c. special excise tax and the 12 p.c. sales tax on the manufacturer's sale price.

NX

TABLE 4. General Sales Taxes levied by the Government of Canada and the Provinces

No.		4. General Sales Taxes I  Government of Canada	Newfoundland	Prince Edward Island	Nova Scotia
1	General sales tax Statutory authority	Excise Tax Act; (Part VI), R.S. 1952, c 100 and 320, and amendments. Old Age Security Act; R.S. 1952, c 200, and amend-	The Social Security Assessment Act, 1963; no.83, and amendments. The Social Security Assessment (Exemption) Act, 1961	The Revenue Tax Act; 1960, c 36, and amendments.	Health Services Tax Act; R.S. 1967, c126 and amend- ments.
ù	Basis	ments.  Manufacturer's selling price or duty-paid value of imports-ad valorum	no.15, and amendments.	Retail selling price generally, but in some instances at consumer cost.	Purchase price
3	Rate	12%. A special rate of 11% is imposed on a wide range of building materials (Rates include Old Age Security Tax of 3%)*	7%	8%	7%**
4	Exemptions	Exemptions include: Production machinery and apparatus, pollution control equipment, and materials consumed or expended directly in the process of manufacture or production of goods; certain goods used in commercial fisheries; equipment and machinery used in farming; foodstuffs; drugs; appliances for the handicapped; heating fuels; electricity; most products of farms, forests, fisheries and mines; goods used by public hospitals; books, magazines, newspapers; certain goods purchased by municipalities; materials used in the construction of schools, universities and public libraries; margarine.  *The Budget Speech on June 18, 1971 announced that with effect January 1, 1972, the 3% Old Age Security Tax imposed under the Old Age Security Act upon the sale price of goods will be repealed and that a consequential amendment will be made to the Excise Tax Act increasing the general sales tax imposed under that Act from 9% to 12%.	Exemptions include: gaso- line and fuel oil; vessels over 300 tons gross; boats and apparatus for use in commercial fishing or pro- cessing of fishery prod- ucts; drugs on doctor's prescription; sales to Fed- eral government; sales for delivery outside the province; seeds, feeds, fertilizers, farm equipment and machinery; food; sales and meals of less than 8¢. Specific exemptions are allowed to certain companies such as rail- ways, mines, shipyards, pulp and paper, etc., for installation and expansion of plant and equipment. Rate was effective April 1, 1968. Effective May 14, 1969, the tax was imposed on the following services: hotel and motel room rentals; motor vehicle repairs and maintenance; furniture re- pairs and repairs to house- hold appliances; long distance telephone calls; and laundry and dry- cleaning services.	Exemptions include: food; gasoline; fuels; electricity; farm machinery and equipment; fishing apparatus to be used in trade; drugs on doctor's prescription; machinery, apparatus and raw materials used directly in the production of goods for sale; feeds, seeds and fertilizers; sales for delivery outside the province; meals priced at \$1 or less; magazine and newspaper subscriptions; children's clothing and footwear; commercial aircraft; cigarettes and tobacco; text books and school supplies; books and articles used in the practice of religion; all purchases under 11¢. Certain exemptions are allowed on equipment purchased by municipalities for roads, sewerage, drainage and firefighting and on direct capital outlay purchases by schools and universities; religious, charitable and benovolent institutions, schools, college and universities.  The rate increased to 8% from 7% effective March 19, 1971.	Exemptions include; foods; gasoline and fuel oil; meals priced at \$1.00 or less; children's wear and a number of other consumer goods, machinery, equipment and materials used in agriculture, fishing, mining and manufacturing; tangible property purchased by a municipality or agency thereof, and all purchases of 15¢ or less.  Effective April 4, 1969, the tax increased to 7% from 5%.  **Taxes levied underthis Act are used in providing health services (hospital benefits, medical care, etc.) for residents of the province.  **Electricity is taxed as follows under the "Health Insurance Tax Act": domestic use — .50¢ per month commercial use — \$1 to \$30 per month

Social Services and Effort (1971) and an read section of the control of the contr	TABLE 4. General Sales Taxes levied by the Government of Canada and the Provinces								
reason flav Arg. 28.87 and a semination.  **Grain Theorem 1. **S. 1984, C. 71, and a semination.  **Grain Theorem 2. **S. 1984, C. 71, and a semination.  **Botal price and real property of the property of t	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	British Columbia	No.		
Treatment produced of compositions, society of the compositions, society and the compositions, society of the compositions, society, s	cation Tax Act; RSNB 1952, c 213, and	R.S. 1964, c 71,	Act; 1960-61, c 91,	1966-67, c 57, and	Tax Act; R.S.S. 1965,	Act, R.S. 1960, c 361,	1		
Exemptions include:  Tool, agtituations conductive services and seeks or read agreement of the projection maximum and machinum considers of management of the projection of the projec		oftangible personal property	of tangible personal property.	Fair values	tangible personal prop-	Retail price	2		
beode and chances to be controlled to the property beer, by the controlled to the property beer by the property beer by the property	8%	8%	5%*	5%	5%	5%	3		
	fuel; agricultural feeds and seeds; orthopaedic appliances; production machinery and apparatus; goods purchased for the purpose of being processed; fabricated or manufactured into or incorporated into goods for sale; purchases of foodstuffs; drugs on dector's prescription; machinery and implements for fishing and farming; children's clothing; some children's clothing; some children's cotwar; books; school supplies; tobacco; building materials; goods sold for consumption outside the province; all purchases of 11¢ or less; and meals priced at \$1.00 or less.  Effective April 1, 1968, the tax was levied on the price of hotel and motel accomodations; as of April 1, 1969, it is levied on the price of dry cleaning and laundry services.  Effective April 1, 1969, the rate was increased to 8% from 6%.  Effective December 1, 1970, building materials are exempted.	bonds and shares of corporations; securities; intangible property; beer; to-bacco; gasoline; fuel oil; foodstuffs; agricultural products; farm implements and machinery; fishing apparatus and tugs and ships to be used in trade, drugs on doctor's prescription; fares on transportation systems; admission prices to places of amusement; sales to Federal and Provincial governments; hospitals and churches; sales for delivery outside the province; meals; books and periodicals; grain and mill feeds; cleaning products; coal; firewood; children's clothing and footwear; optical appliances; hearing aids; dentures; and all sales of 10¢ or less; transactions made through the Canadian Commodity Exchange Inc.; debts, rights of action, incorporeal rights, annutites, insurance premiums; kerosene; ice, natural water, dissibled water or ozonized water; sales by judicial authority; telegraphic messages; tugs, cargo ships and passenger ships other than pleasure yachts; moneys; tools, tractors, animal-drawn vehicles and parts acquired by a farmer; artificial limbs and orthopaedic appliances; sales to a cemetery society, company or corporation for the purposes of its works; class-room supplies; seeds, fertilizers, fungicides; herbicides; soaps; drain tiles for agricultural purposes.  Rate was increased from 6% to 8%, effective March 17,	Food products in- cluding insulin and vitamins; meals at \$2.50 and under, gasoline; diesel fuel; fuel oil; coal; coke; wood; gas; electricity; farm im- plements; farm sup- plies; agricultural products; commer- cial boats and other fishing apparatus; prescription drugs and optical appli- ances; artificial limbs; hearing aids; dentures; railway rolling stock; child- ren's clothing and footwear; school books; religious and educational publi- cations; classroom supplies; newspa- pers; subscription magazines; draught beer; tobacco; sales for delivery outside the province and sales of 20¢ and under.  Buses used for urban public transporta- tion; materials pur- chased by munici- palities and certain bodies for the con- struction of build- ings, etc., are ex- empt.  Effective April 1, 1969, a special rate of 10% was imposed on meals over \$2.50, liquor, bottled beer, wine, and admis- sions.  Also, effective April 1, 1969, the base was broadened to neals over \$2.50, liquor, bottled beer, wine, and admis- sions.  Also, effective April 1, 1969, the base was broadened to neals over \$2.50, liquor, bottled beer, wine, and admis- sions.  Effective June 1, 1970, exemptions include the following when used directly in the manufacturing proc- ess: tools attached to production ma- chinery that are used for milling, grinding, pressing and similar pur- poses; explosives; and refractory ma- terials, such as fire	cultural feeds; food and drink, not including alcohol; meals less than \$2.00; natural water; sales less than 26c, children's clothes and footwear; prescription drugs and medicaments; optical appliances, artificial limbs, orthopaedic appliances, hearing aids, dentures and repair thereof; plants or animals and the products which constitute food or drink; farm implements and farm machinery and repair parts; commercial fishing boats, fishing nets and other apparatus used for commercial fishing and repairs thereof; commercial vessels of more than 200 tons; fertilizers and weed control chemicals; railway rolling stock and repair parts; books, newspapers and periodical publications; aircraft engaged in foreign or interprovincial trade and repair parts; production machinery used in the process of manufacture of tangible personal property for sale or rendering a service; settler's effects; goods taxed under The Amusements Act. The Motive Fuel Tax Act, The Gasoline Tax Act, The Motive Fuel Tax Act, The Gasoline Tax Act, The Motive Fuel Tax Act, The Gasoline Tax Act, The Gasoline Tax Act, The Gasoline Tax Act, The Motive Fuel Tax Act, The Gasoline Tax Act, The Motive Fuel Tax Act, The Gasoline Tax Act, The Ga	Agricultural products when sold by producer thereof, automatic poultry-house waterers and feeders; artificial limbs; baler twine; baling wire; barbed wire when purchased by a farmer; bedding plants; Bibles, testaments, prayer books, missals, hymn books; binder twine; books, magazines, periodicals and phonograph records when purchased by subscription for delivery by mail; clay; earth; coal; coins; dental appliances; dentures; domestic fuel oil; drugs and medicines; equipment designed solely for the use of blind persons, cripples or chronic invalids; farm implements and farm machinery and parts; certain designated farm tools and commodities; fence pickets when purchased by a farmer; fertilizer; fishing nets; electricity consumed for the purpose of heating a home or other other building when the heating is produced solely by the electricity; food and drink, except spirituous, malt and vinous liquors, and meals; forage crop seed; fuel petroleum products taxable under The Fuel Petroleum Products Act; fuel petroleum products and taxable under the Fuel Petroleum Products Act; fuel petroleum products and taxable under the Fuel Petroleum products. Act when purchased by a farmer for consumption in a tractor, combine, stationary engine, or farm truck; garden seed; grain; hearing aids; insecticides, fungicides and herbicides purchased for use on a farm, railway right of way or by a municipality or other similar authority for use on roadways or road allowances; liquefied petroleum gases used for heating and cooking in homes and buildings; matches; natural water, including ice and steam; newspapers; notes as defined in the Bank of Canada Act; optical appliances; railway rolling stock, ties and steel rails; school text and school reference books; shrubs; taggible personal property oid to a non-resident; tangible personal property sold to a non-resident; tangible personal property sold to a non-resident; tangible personal property on which the tax hos property on which the tax hos property of the service of the tax hobacco; tr	lowed for food- stuffs; confections; motor and heating fuels; farm equip- ment and supplies; commercial fishing equipment; pre- scription drugs and health appliances; draught beer; sales to Federal Govern- ment; sales for con- sumption outside of Province, sales of less than 15¢; child- ren's clothing and footwear for children under the age of 15; restaurant meals; school books and supp- plies; religious books; newspapers; periodicals and maga- zines. Proceeds of this tax are used to finance provincial hospital insurance; health; welfare and other expenditures.  Effective February 5, 1971, the Cigarette and Tobacco Tax Act, S. 1971, c 7, excludes tobacco and tobacco pro- ducts as tangible personal property under the Social Services Tax Act; and from the above date they are taxed under the Cigarette and Tobacco Tax	4		



# PART III

MISCELLANEOUS PROVINCIAL TAXES

Table 5. Miscellaneous Provincial Taxes

			rable 5. Miscellaneous			
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
2 3	Amusement tax Statutory authority  Basis	-	The Amusement Tax Act, 1952; c 3, and amend. (New Act to be proclaimed later this year). Admission price  From: 31¢ - 40¢	Theatres and amusements Act R.S. 1967, c 304 and regulations.  Admission price  From: 56¢ - 70¢	Theatres, Cinematographs and Amusements Act; R.S.N.B. 1952, c228, and amendments.  Admission price  Theatre rates: up to 25¢	-
1	Exemptions and comments	The Entertainment Tax Act was repealed September 1, 1968.	Church, school and municipal functions and tickets costing up to 30¢ are exempt.	-	Other amusements rates:  up to 25¢	
5	Fuel tax Statutory authority	The Gasoline Tax Act, 1962; No. 55 and amendments. The Fuel Oil Tax Act, 1962; No. 76.	The Gasoline Tax Act; 1961, c 13, and amend- ments. (New Act to be proclaimed later this year).	Gasoline and Diesel Oil Tax Act; R.S. 1967, c 116 and amend- ments.	Gasoline and Motive Fuel Tax Act; 1965, c 3, and amendments.	Gasoline Tax Act; R.S. 1964, c 74, and amendments.
	Bests		Per gallon Gasoline -21¢ Diesel fuel -25¢	Per gallon Gasoline —21¢ Diesel fuel —27¢	Per gallon  Gasoline -20¢  Motor fuel -23¢  Aircraft fuel - 3¢	Per gallon Gasoline -19¢ Diesel fuel-25¢ Aviation 3¢
8	Exemptions and comments	Exemptions include gasoline used by government departments, municipalities, members of the Diplomatic Corps and aircraft in all motorized equipment (except trucks and automobiles) used for agricultural purposes; in tractors, powersaws, and saw-mills used for logging purposes; in fish processing plants, certain manufacturing plants, vestal and boats used in trade, plants to generate electricity and household appliances; as a household fuel; for the exploration and development of minerals up to the point of production and for export from the province.  Exemptions include fuel oil used by vessels except pleasure boats, tugs, dredges and scows, also fuel oil used for domestic purposes or in institutions, commercial buildings and manufacturing plants, and for export from the province.  Gasoline tax was raised to 25¢ from 20¢ per gallon as at April 1, 1968.	Aviation fuel and the fuel used in offshore fishing fleet exempted. Holders of valid permits issued by provincial treasurer may purchase marked gasoline and/or diesel fuel tax free.  The tax on gasoline increased to 21¢ from 18¢ effective March 20, 1968.  The effective date of the increase in the tax on diesel fuel from 21¢ to 25¢ will be announced later this year.		Fuel used by fishermen and farmers is exempt as is fuel used other than in motor vehicles on public highways (except in repair and construction of bridges and roads). Marked gasoline may be used by farm trucks that are unlicenced and used exclusively off the highway.  Effective April 1, 1969, the tax on gasoline increased to 20¢ from 19¢.  Effective April 1, 1971, atax of 3¢ is imposed on aircraft fuel.	Full tax refunds are allowed on gasolin used in the operation of farm tractors, am fishing boats used it trade. Refunds of part of the tax are allowed on gasoline used is stationary engines (except gasoline used by farmers and fisher men), pumps to figh forest fires, aerial na vigation and as an in gredient of manufactured products.  Effective from Marcl 28, 1968 the rates in creased from 16¢ and 22¢ respectively to the above quoted.

TABLE 5. Miscellaneous Provincial Taxes

TABLE 5. Miscellaneous Provincial Taxes									
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.		
-	The Amusements Act; R.S.M. 1954, c 4, and amendments.  Admission price From: 61¢ to 64¢ 1¢ 65¢ '' 67¢ 2¢ 68¢ '' 70¢ 3¢ 71¢ '' \$1.00 5% over \$1.00 10%	_	See: Race track tax section on page 33.			-	2 3		
ctive April 1, 169, admissions are xed under the Re- il Sales Tax Act, ee page 21)	Admissions priced at 60¢ or less are exempt.				The Amusement Tax Ordinance was re- pealed April 1, 1971		4		
Gasoline Tax Act; S.O. 1960, c 162, damendments. Motor Vehicle JelTax Act:R.S.O. )60, c 248, and nendments.	The Gasoline Tax Act; 1963, 030, and amend- ments.  The Motive Fuel Tax Act; 1963, c 48, and amendments.	The Fuel Petro- leum Products Act; R.S.S. 1965, c67, and amendments.	The Fuel Oil Tax Act, 1968; c33.	Gasoline Tax Act, 1948; R.S. 1960, c 162, and amendments. Coloured Gasoline Tax Act; R.S. 1960, c 63, and amendments. Motive Fuel Use Tax Act R.S. 1960, c 251 and amendments. Fuel Oil Tax Act R.S. 1960, c 158 and amendments.	Fuel Oil Tax Ordin- ance; 1968, (4th ses- sion), c2, and amend- ments.	Fuel Oil Tax Ordinance; R.O. 1956, c 40, and amendments.	5		
gallon  oline -18¢  sel fuel-24¢  stion - 3¢	Per gallon  Clear gasoline - 17¢ Aircraft gasoline - 2¢ Motive fuel - 20¢  Special rates; Bunker - 1/3¢ Propane - 1¢ if used for commercial heating, and 17¢ if used for carburet- tion	Per gallon Gasoline -19¢ Diesel fuel -21¢ Other fuels - 4¢	Per gallon  Gasoline -15¢ Diesel fuel-17¢ Aviation - 3¢ Coloured - 3¢	Per gallon  Gasoline (clear) -15¢  Aircraft gasoline - 3¢  Coloured gasoline- 3¢  Motive fuel -17¢  Fuel oil -½¢	Per gallon Fuel oil -14¢ Aviation fuel - 2¢	Per gallon  Gasoline fuel - 14¢ Diesel fuel - 15¢ Fuel oil - 3¢ Aviation fuel - 2½¢ Propane and butane - 2¼¢			
tax refunds are wed on gasoline and by farmers and omercial fisheration of the same used other than motor vehicles or ipment travelling highways. Excepts to the tax refore some used other than incore the same used other than incore the same used other tax refore and are liable for full rate from 11, 1969.  selfuel other than in notor vehicle or in machine used on a ghway or in connecting with the connection or maintence of a highway is empt from tax.	ing purposes. Partial or full refunds on other items as set out in the Act.	Purple gasoline and purple diesel fuel are exempt from tax when used on farms for agricultural purposes, but are subject to tax at 4¢ per gallon when used for any other purpose. Aviation fuels are subject to tax at 4¢ per gallon. Heating fuels and fuels not designed for use in any type of internal combustion engine are exempt from tax.	Exemptions of 12¢ for gasoline and 14¢ for diesel fuel per gallon are allowed for industrial purposes, and for aircraft operations. Effective June 1, 1969, full exemption is allowed for agricultural purposes.  The tax on gasoline was increased to 15¢ from 12¢ and on diesel fuel to 17¢ from 14¢ per gallon, effective date of the rates was June 1, 1968.  Effective May 1, 1970, the 3¢ tax on purple coloured fuels used infarming operations is removed.	operation of logging trucks off highways, motor vehicle power units for industrial purposes while vehicles of amputees, paraplegics, and certain classes of war veterans. Motor vehicles entering the Province subject to tax on imports in supply tanks exceeding forty gallons.  Coloured gasoline may only be used in ships, boats and other water vehicles, stationary and portable engines and tractors for off highway use; logging trucks used exclusively off highways; railway locomotives, railway cars and track operated motor vehicles; and for non-motor vehicle industrial purpose.  Operators of commercial motor vehicles using motive fuel are required to pay tax on gallonage used on public highways within the Province. Motive fuel, includes diesel fuel propane, butane. Motive fuel used in farm tractors is, with certain limitations, exempt (subject to Coloured Gasoline Tax Act).	Fuel oil includes all liquid products obtained by distillation or condensation or absorption or any other process from petroleum, natural gascline, benzol, benzene, naptha, coal, coal tar, oil shales, kerosene, gas, oil and any combination of any such products.  Exemptions — No tax is payable in respect of fuel oil that is used or to be used in stationary generators of electricity, for heating, for laying or sprinkling on roads or streets, as cleaning, fluids or solvents, in the operation of farming purposes, by the Government of Canada, a municipality as defined in the Wisiting Force s (North Atlantic Treaty) Act.  Effective Aprill, 1971 the tax on fuel oil increased to 14¢ from 11¢ and tax of 2¢ was imposed on aviation fuel.	Effective April 1, 1971, the tax on gasoline increased to 14¢ from 12¢, on diesel fuel to 15¢ from 12c, on a vation fuel to 2½¢ from 1½¢, and a tax of 2½¢ was imposed on propane and butane.	8 8 1		

TABLE 5. Miscellaneous Provincial Taxes - Continued

	TABLE 5. Miscellaneous Provincial Taxes - Continued								
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec			
1	Motor vehicle licences and fees Statutory authority	The Highway Traffic Act, 1962; No.82, and amend- ments.	The Highway Traffic Act, 1964; c 14, and amend- ments.	Motor Vehicle Act; R.S. 1967, c 191, amendments and regulations.	The Motor Vehicle Act, 1955; c 13, and amend- ments.	Highway Code; R.S. 196 c 231, and amendment			
2	Basis	(a) flat rate per vehicle	(a) weight of the vehicle	(a) per 100 lb. vehicle weight	(a) per pound of weight of motor vehicle.	(a) per pound of vehicle weight			
		(b) operator	(b) operator (c) chauffeur	(b) operator (c) chauffeur	(b) operator (c) chauffeur	(b) operator (c) chauffeur			
3	Rate	(a) \$18.00 to 24.00	(a) Not more than 2,049 lb.— Over 2,049 lb. up to and including \$1.00 per 4,949 lb.— 100 lb. 4,950 lb. and over — \$50.00	(a)\$1.00 per 100 lb. of vehicle weight. Minimum licence fee is \$15.00.	(a) 1¢ perpound of weight of motor vehicle; minimum fee of \$20,00 per vehicle plus a fee of \$4,00 for licence plates, (effective January 1, 1969).	(a) 1¢ per pound (min imum \$20.00)			
		(b) Operator's licence — \$9.00	(b) Operator's licence — \$4.00 (c) Chauffeur's licence — \$7.00	(b) Operator's licence - \$6.00 (3 years) (c) Chauffeur's licence - \$5.00 (1 year)	(b) Operator's licence - \$4.00 (c) Chauffeur's licence - \$4.00	(b) Operator's licence \$6.00 (c) Chauffeur's licence \$6.00			
4	Insurance tax (a) On insurance companies:	(a) Reduced rates apply later in the year.  Operator's licence has a three year term. Expiry date is on licensee's birthday.	(a) Reduced rates apply later in the year.  Operator and chauffeur licences have a two year term. Expiry date is on the last day of licensee's month of birth. Rates are effective from January 1, 1968.  The new scheduls of registration fees for private passenger vehicles is effective January 1, 1971.	Licences expire Dec. 31 (may be extended to March 31). Rates are effective April 4, 1969.	(a) Reduced rates apply later in the year which expires Dec. 31.  Operator and chauffeur licences have a two year term.	1 year — \$3.00  Allrates are effective Juary 1, 1969			
5	Statutory authority	The Insurance Companies Tax Act, 1957; No. 76 and amendments.	The Premium Tax Act; 1957, c 27, and amend- ments.	Insurance Premiums Tax Act; R.S. 1967, c 149.	Premium Tax Act; 1957, c. 14.	Corporation Tax Act; F 1964, c 67, and ame ments.			
6	Basis	Premium income	Premium income	Premium income	Premium income	Premium income			
7	Rate	2%	2%	2%	2%	2%			
S	Comments	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts,	Exemption for premiums on marine insurance and annuity contracts.	-			
	(b) Fire insurance:		1						
9	Statutory authority	The Insurance Premiums Tax Act, 1968; No. 59.	The Fire Prevention Act; R.S.P.E.I. 1951, c 59, and amendments.	Fire Prevention Act; R.S. 1967, c 107 and amendments.	Fire Prevention Act; RSNB 1952, c 86, and amend- ments.	Corporation Tax Act; 1 1964, c 67, and amments.			
10	Basis	Premiums charged	Gross premiums	Premium income	Premium income	Premium income			
11	Rate	7%	% of 1%	½ of 1%	1%	2%			
12	Comments	This tax is paid by the policy holder. It is levied on all insurance premiums other than life, accident, sickness, and marine premiums.	Effective date is April 1, 1968.	Rates as determined by the Lieutenant Governor in Council.	_	_			
		l.							

TABLE 5. Miscellaneous Provincial Taxes - Continued

t; R.S.O. 1960, c 2, and amend- mts. umber of cylinders perator hauffeur cylinders or less (after 1933) - \$20.00 cylinders - \$27.50 cylinders - \$35.00	Act; 1966, c 29, and amendments.  (a) length of wheel base  (b) driver (c) chauffeur  (a) \$11.25 for wheel base not exceeding 100" in length; for each additional 5 inches or portion thereof—\$3.25  Additional charge of 50¢ on all registrations for the Unsatisfied Judgement Fund	Saskatchewan  The Vehicles Act; R.S.S.1965, c 377, and amendments.  (a) length of wheel base  (b) operator (c) chauffeur  (a) \$15 for wheel base not exceeding 110" \$21 for wheel base of 111" to 120" \$27 for wheel base exceeding 110"	Act; 1967, c 30, and amendments.	Motor-vehicle Act; R.S. 1960, c 253 and amendments.  (a) net weight of vehicle  (b) operator (c) chauffeur  (a) 1,500 lb. or less — \$10.80 1,501 lb. to 2,000 — \$14.40 2,001 lb. to 3,000 — \$18.00 3,001 lb. to 4,000 — \$22,50	nance; R.O. 1958, c 77, and amendments.  (a) length of wheel base  (b) operator  (a) \$15.00 for wheel base 100" or less \$20.00 for wheel base 101" to 120" \$25.00 for wheel base 121" and	Motor Vehicles Ordinance; R.O. 1956, c72, and amendments.  (a) flat rate for passenger vehicles and light trucks. (b) operator (c) chauffeur  (a) \$15.00 for private vehicles operated on the Mackenzie Highway. \$5.00 for private vehicles operated operated on the water vehicles operated the water water the water than the water tha	1 2
perator hauffeur  cylinders or less (after 1933) - \$20.00 cylinders - \$27.50 cylinders - \$27.50 cylinders - \$35.00	Act; 1966, c 29, and amendments.  (a) length of wheel base  (b) driver (c) chauffeur  (a) \$11.25 for wheel base not exceeding 100" in length; for each additional 5 inches or portion thereof—\$3.25  Additional charge of 50¢ on all registrations for the Unsatisfied Judgement Fund	R.S.S. 1965, c 377, and amendments.  (a) length of wheel base (b) operator (c) chauffeur  (a) \$15 for wheel base not exceeding 110" \$21 for wheel base of 111" to 120" \$27 for wheel base exceeding	Act; 1967, c 30, and amendments.  (a) length of wheel base (b) operator  (a) \$15 for wheel base not exceeding 110" \$20 for wheel base of 120"	R.S. 1960, c 253 and amendments.  (a) net weight of vehicle  (b) operator (c) chauffeur  (a) 1,500 lb. or less - \$10.80 1,501 lb. to 2,000 - \$14.40 2,001 lb. to 3,000 - \$18.00 3,001 lb. to 4,000 -	nance; R.O. 1958, c 77, and amendments.  (a) length of wheel base  (b) operator  (a) \$15.00 for wheel base 100" or less \$20.00 for wheel base 101" to 120" \$25.00 for wheel base 121" and	nance; R.O. 1956, c 72, and amendments.  (a) flat rate for passenger vehicles and light trucks.  (b) operator  (c) chauffeur  (a) \$15.00 for private vehicles operated on the Mackenzie Highway. \$5.00 for private vehicles operated operated vehicles operated on the Mackenzie Highway. \$5.00 for private vehicles operated on the Mackenzie Highway.	2
perator hauffeur  cylinders or less (after 1933) – \$20.00 cylinders – \$27.50 cylinders – \$35.00	base  (b) driver (c) chauffeur  (a) \$11.25 for wheel base not exceeding 100" in length; for each additional 5 inches or portion thereof—\$3.25  Additional charge of 50¢ on all registrations for the Unsatisfied Judgement Fund	base (b) operator (c) chauffeur  (a) \$15 for wheel base not exceeding 110" \$21 for wheel base of 111" to 120" \$27 for wheel base exceeding	(a) \$15 for wheel base not exceeding 110" \$20 for wheel base of 120"	hicle (b) operator (c) chauffeur  (a) 1,500 lb. or less — \$10.80 1,501 lb. to 2,000 — \$14.40 2,001 lb. to 3,000 — \$18.00 3,001 lb. to 4,000 —	(a) \$15.00 for wheel base 100" or less \$20.00 for wheel base 101" to 120" \$25.00 for wheel base 121" and	ger vehicles and light trucks. (b) operator (c) chauffeur  (a) \$15.00 for private vehicles operated on the Mackenzie Highway. \$5.00 for private vehicles operated operated on the Mackenzie Highway.	3
cylinders or less (after 1933) – \$20.00 cylinders – \$27.50 cylinders – \$35.00	(c) chauffeur  (a) \$11.25 for wheel base not exceeding 100" in length; for each additional 5 inches or portion thereof—\$3.25  Additional charge of 50¢ on all registrations for the Unsatisfied Judgement Fund	(c) chauffeur  (a) \$15 for wheel base not exceeding 110" \$21 for wheel base of 111" to 120" \$27 for wheel base exceeding	(a) \$15 for wheel base not exceeding 110" \$20 for wheel base of 120" \$25 for wheel base	(c) chauffeur  (a) 1,500 lb. or less — \$10.80 1,501 lb. to 2,000 — \$14.40 2,001 lb. to 3,000 — \$18.00 3,001 lb. to 4,000 —	(a) \$15.00 for wheel base 100" or less \$20.00 for wheel base 101" to 120" \$25.00 for wheel base 121" and	(b) operator (c) chauffeur  (a) \$15.00 for private vehicles operated on the Mackenzie Highway. \$5.00 for private vehicles operated operated on the Mackenzie Highway.	3
(after 1933) - \$20.00 cylinders - \$27.50 cylinders - \$35.00	base not exceeding 100" in length; for each additional 5 inches or portion thereof - \$3.25  Additional charge of 50¢ on all registrations for the Unsatisfied Judgement Fund	not exceeding 110" \$21 for wheel base of 111" to 120" \$27 for wheel base exceeding	not exceeding 110" \$20 for wheel base of 120" \$25 for wheel base	\$10.80 1,501 lb. to 2,000 — \$14.40 2,001 lb. to 3,000 — \$18.00 3,001 lb. to 4,000 —	base 100" or less \$20.00 for wheel base 101" to 120" \$25.00 for wheel base 121" and	vehicles operated on the Mackenzie High- way. \$5.00 for pri- vate vehicles oper-	3
	(h) On and			4,001 lb.to 5,000 - \$31,50 5,001 lb.to 6,000 - \$45,00 6,001 lb.to 7,000 - \$58,50 Plus registration fee of \$1.00 for non-com- mercial vehicles,	over (Reducedrates apply later in the year).	ated elsewhere in the Territories. Commercial \$6.50 per 1,000 lbs. gross Vehicle Weight, Public Service \$8 per 1,000 lbs. gross Vehicle Weight on Mackenzie Highway System; both \$1 per 1,000 lbs. elsewhere in the territories.	
ence - \$6.00	(b) Operator's licence — \$3.00 (c) Chauffeur's licence — \$4.00	(b) Operator's licence - \$2.00 (c) Chauffeur's licence - \$3.00	(b) Operator's li- cence - \$5.00	(b) Operator's licence - \$5.00 (c) Chauffeur's licence - \$3.00	(b) Operator's licence \$ \$3.00	(b) Operator's licence — \$2.00 (c) Chauffeur's licence — \$3.00	
ator and chauffeur ences have a ee-year term tes are effective cember 1, 1968.	(a) Reduced rates apply later in the year which expires February 28 Operator and chauffeur licences issued for one year on birth date.	Operator and chauf- feur licences have a one year term. Expiry date is April 30. See "Miscel- laneous taxes" for motor vehicle in- surance, p. 35.	Operator's licence has a five-year term; expiry date is March 31.	(a) Rates are reduced one-twelth each month to a minimum fee of \$2.00.  Operator's licence has a five year term; chauffeur's licence has a one year term.	Operator licence for a one year term. Expiry date is March 31.  Effective April 1, 1971, operator's licence increased to \$3.00 from \$2.00 and chauffer's licence was abolished.	(a) Rates are reduced to 40% after October 31.  Both operator and chauffeur licences have one year terms.	4
Insurance Act; S.O. 1960, c 190, d amendments. s premiums or de-	The Insurance Corporations Tax Act; 1957, c 32, and amendments	The Insurance Premiums Tax Act; R.S.S. 1965, c 63, and amendments.	The Insurance Corporations Tax Act; 1957, c 35, and amendment, Premium income	Insurance Premiums Tax Act, R.S. 1960, c 198 and amend- ments. Premium income	-		5
2%	2%	2%	2%	2%			7
-	Exemption for marine insurance and annuity contracts	Exemption for marine insurance and annuity contracts. *See 'Miscellaneous taxes' for motor vehicle insurance, page 35.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	-		8
Fire Marshals Act; S.O. 1960, c 148, d amendments.	The Fires Prevention Act; R.S.M. 1954, c 86, and amend- ments	The Fire Prevention Act; R.S.S. 1965, c 365, and amend- ment.	The Fire Prevention Act; R.S. 1955, c 115, and amend- ments.	Fire Marshal Act; R.S. 1960, c 148, and amendment.		-	9
	Premium income	Premium income	Premium income	Premium income			10
Up to 1%	1%	1%	1/3 of 1%	1%			1.1
s are determined the Lieutenant vernor in Coun-	-	-	-	Rate determined by Lieutenant Gover- nor in Council.			1.7

TABLE 5. Miscellaneous Provincial Taxes - Continued

	TABLE 5. Miscellaneous Provincial Taxes - Continued							
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec		
1	Insurance tax — Concluded (c) Hospital insurance: Statutory authority	Hospital Insurance (Agreement) Act, 1957c.60 and amend- ments.	The Hospitals Act, 1959 c. 16 and amendments.	Hospital Insurance Act, R.S. 1967 c. 125.	Hospital Services Act, 1960-61 c. 11 and amendments.	Hospital Insurance A R.S. 1964 c. 163 a amendments.		
2	Basis	No premiums	No premiums	No premiums	No premiums	No premiums		
3	Rate	Financed through means other than premiums.	Financed through means other than premiums.	Financed through means other than premiums.	Financed through means other than premiums.	Financed through mea other than premiums.		
4	Comments	Plan commenced July 1, 1958.	Plan commenced October 1, 1959.	Plan commenced January 1, 1959.	Plan commenced July 1, 1959.	Plan commenced January 1961.		
5	(d) Medicare: Statutory authority	The Newfoundland Medi- cal Care Insurance Act, 1968 c. 38 and amendments.	The Health Services Payment Act, Bill No. 37.	Medical Care Insurance Act, 1968 c. 9 and amendments.	_	Health Insurance Act, 19 c 37 and amendments		
6	Basis	No premiums	No premiums	No premiums	No premiums	Net income		
7	Rate	_		_	-	8/10 of 1% of net income every individual who sides in Quebec (m \$125 if at least 3/4 his net income is salt or max. \$200 if not). addition, an employe contribution of 8/10 or of gross salaries paic employees who report work in an establishm in Quebec.		
8	Comments	Effective date, April 1, 1969.	Effective date, December 1, 1970.	Effective date, April 1, 1969.	Effective date January 1, 1971.	Exemptions of contribution are granted to every indual whose net incomplete the samarried person supported his spouse equivalent) and \$2,000 other cases.  Effective date November 1970.		

TABLE 5. Miscellaneous Provincial Taxes - Continued

TABLE 5. Miscellaneous Provincial Taxes - Continued							
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
Hospital Services mmission Act; S.O. 1960, c. 176, d amendments.	The Health Services Insurance Act, 1970, C.H. 35 Second Ses- sion.	The Saskatchewan Hospitalization Act, R.S.S. 1965, c. 253, and amend- ments.	The Alberta Hospitals Act; 1961, c. 36.	Hospital Insurance Act. R.S. 1960, c 180.	Yukon Hospital Insurance Services Or- dinance, 1960, c 2.	Territorial Insurance Services Ordinance, 1959, c 3.	1
hly premiums	Monthly premiums	Annual premiums	Effective July 1, 1970 premiums were introduced but merged with Medi- care (see Item 7 under Medicare below).	No premiums	No premiums	No premiums	2
e \$5.50 ly \$11.00	Single \$4.15 Family \$8.30	Single \$24.00 Family \$48.00		Financed through means other than premiums.	Financed through means other than premiums.	means other	
s are effective from y 1, 1968. commenced January 1959.	from November 1969.	Authorized charges (utilization fees) of \$2.50 per day for inpatient care in hospital up to 30 days and \$1.50 per day for the next 60 days; \$1.50 per visit for outpatient physiotherapy services provided in hospitals also applies.  Plan commenced January 1, 1947.	Plan commenced April 1, 1958	Plan commenced July 1, 1949.	Plan commenced July 1, 1960.	Plan commenced April 1, 1960.*	4
Health Services In- ance Act S. 1968-	Plans officially combined October 1970. see above		The Health Insurance Premiums Act; 1969 c. 45 and amend- ments.	Medical Services Act, S. 1967, c. 24.	_	Medical Care Ordinance 1970, c 8.	
.ly premiums	-	Annual premiums	Annual premiums	Monthly premiums	- ]	No premiums	6
y of two	-	Single	Single	Single	-	-	7
r 1 1							
tive date, October 1969.	-	Effective in 1968, in addition to the annual premium, utilization fees are levied at the following rates: \$1.50 per visit to a physician's office, \$2.00 per other type of visit by a physician.  Effective date, July 1, 1968	Effective July 1, 1970, hospital and medicare contribu- tions are merged. Effective date, July 1, 1969.	The province subsidizes 90% of persons with no taxable income in the previous year, and 50% of premium cost for persons with taxable income not in excess of \$1,000. in the previous year.  Effective date, July 1, 1968.	- !!	Effective date April 1, 1971.	8

TABLE 5. Miscellaneous Provincial Taxes - Continued

TABLE 5. Miscellaneous Provincial Taxes - Continued								
No.	1	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec		
1	Logging tax Statutory authority		-	-	-	Logging Tax Act; R.S.( 1964, c 68, and amen ments.		
2	Basis					Income (as defined)		
3	Rate					10%		
4	Comments					Full exemption is allowed where income less than \$10,00 where income exceed \$10,000, the tax paid on the total icome including th \$10,000.		
		İ						
	,							
	251-1							
5	Mining tax   Statutory authority	The Mining Tax Act; R.S.N. 1952, No. 43, and amendments.	-	Gypsum Mining Income Tax Act; R.S. 1967, c 122.	Mining Income Tax Act; (formerly, Mining Tax Act) 1954, c 10, and amendments.	Mining Duties Act; 196 c 35.		
6	Basis	Net income of mining corporations		(a) On net income or (b) Per ton mined	Net income of mining corporations.	Net profit of mining coporations.		
					1			
7	Rate	Iron — 20% Others — 5%		(a) 33½% of net income as set out in the Act. (b) 6¢ per ton; mining operation calculated at a fixed rate of 18¢ per ton, of which 33½% is taxed.	8% on all net income up to \$750,000; 11% on next \$2,250,000 net income; and 12% on all net income exceeding \$3,000,000.	9% on net profit \$50,000 to \$1,000,0 11% on net profit \$1,000,001 \$2,000,000; 13% net profit \$2,000,001 \$4,000,000; 15% net profit o \$4,000,000.		
8	Comments	-	-		Effective date April 1, 1970.	Net profit up to \$50, is exempt.  Effective date, Jam 1, 1966.		
				1				

TABLE 5. Miscellaneous Provincial Taxes - Continued

1 ABLE 5. Miscellaneous Provincial Taxes - Continued							
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
e Logging Tax Act; R.S.O. 1960, c 224, and amendments.				Logging Tax Act; R.S. 1960, c 225, and amendments.	-		1
on income in excess				Net income			2
f \$10,000.  c credit of one-third of tax is provided nder the provincial Jorporations Tax Act. Nwo-thirds may be educted from federal ncome tax under the rovisions of the fed- ral Income Tax Act.				Full exemption is allowed where net income is less than \$10,000; where net income exceeds \$10,000, the tax is paid on the total net income, including the first \$10,000.  Tax credit of ten-			4
				fiftieths of tax is provided under the provincial Income Tax Act, Two-thirds may be deducted from federal income tax under the provisions of the federal Income Tax Act.  Effective April 1, 1968, the rate increased to 15% (as above) from 10% where net income exceeds \$25,000.		!	
Mining Tax Act; S.O. 1960, c 242.	The Mining Royalty and Tax Act; R.S.M. 1954, C 169, and amendments.	The Mineral Taxation Act; R.S.S. 1965. c 64, and amend- ments.	The Mineral Taxation Act; R.S. 1955, c 203, and amend- ments.	Mining Tax Act; R.S., 1960, c 247, and amendments.	-	-	5
profit on the mining f ore.	Net profit of mining corporations.	(a) a flat rate per acre for freehold miner- als owned by cor- porations; (b) the assessed value of minerals for freehold lands.	(a) assessed value of minerals and  (b) a flat rate per acre of land.	Net income		!	, 6
15%	\$50,000 or more	(a) flat rate — 10¢ per acre; the tax is not applicable to an owner who is an individual.  (b) assessed value-8 mills.	Rates vary with respect to different classes of minerals in (designated) producing areas.  Tariff of fees not to exceed 5¢ per acre (minimum 25¢).	15% on net income in excess of \$10,000			7
rofit of the mine in ne taxation year, as etermined under the Act.  'ing companies obaining a profit of less there \$50,000 are	Tax for the first three years of operations is 50% of the above-noted rates. The first three years exemption disappears as at December 31, 1972.  Also, the Mineral Taxation Act imposes a rate of 8 mills on the assessed value of crude oil in, on or under land in a designated producing area. The new rates are effective January 1, 1971.	Assessed value of minerals is based on value of production for the year previous. Acreage tax applies only to corporations holding land in Saskatchewan. Producing tract tax applies to all freehold minerals. Effective date, January 1, 1969.	No tax is payable in respect to coal mining.	The rate effective April 1, 1968 now includes coal and mineral concen- trates. The amended Act makes the pro- cessors of minerals, as well as owners of mines, liable for tax. Effective April 1, 1968 the rate in- creased to 15% from 10%.			8

TABLE 5. Miscellaneous Provincial Taxes - Continued

		TABLE	y. 1415001141100415 2 1 1 1			
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
1	Race track tax Statutory authority	The Horse Racing (Regulations and Tax) Act, 1963; No. 65, and amendments.	The Amusement Tax Act, 1952; c 3, and amend- ments. (New Act to be proclaimed later this year)	Theatres and Amusements Act; R.S. 1967, c 304 and regulations.	Theatres, Cinemato- graphs, and Amuse- ments Act; RSNB 1952, c 228, and a- mendments.	Licences Act; R.S. 196 c 79, and amendment
2	Basis	Amount of bets placed under the pari mutuel system.	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting po
3	Rate	11%	11½%	11%	11% of wagers	7% of ticket evidence the choice of a sin, winning horse; 9% other tickets.
4	Comments	-	Effective February 19, 1969, the rate increased to 11½% from 11%. The track operators are allowed 5½% as a special concession.	If tax is remitted within 7 days, the Race Association may deduct a commission of 7% and 8% depending on certain variables in amounts and dates.	If tax is remitted within 7 days, the Race Association may deduct from 6½% to 8% of the amounts wagered as commission.	In addition to the du on wagers, there is duty on the entranfee at the rate of I(at races with "pemutuel" betting, at 5¢ per person at oth races.
5	Tobacco tax  Statutory authority	The Tobacco Tax Act, 1964; No. 81, and amendments.	The Health Tax Act; R.S.P.E.I. 1951, c 71, and amendments.		Tobacco Tax Act; RSNB 1952, c 231, and amendments.	Tobacco Tax Act; R. 1964, c 72, and amendments.
6	Basis	By cigarette; by retail price of cigars; other tobacco products by weight.	price of cigars and			By cigarette; by reta price of cigars a other manufacture tobacco.
7	Rate	Cigars from:  15¢ - 2¢ each 16¢ to 25¢ - 4¢ " 26¢ " 35¢ - 6¢ " 36¢ " 45¢ - 8¢ " 46¢ up - 10¢ "  Other tobacco products	each Cigars - from 4¢ to 9¢ - 1¢ each 10¢ to 15¢ - 2¢ 16¢ up - 1¢ additional tax for each additional 5¢ on retail price. Other tobacco products	Cigarettes — 4/10 of 1¢ each Other tobacco products — 10% of retail price.	each	each Cigars from: 5¢ to 10¢ - 1¢ eac 10¢ up - 20%
8	Comments	There are certain exemptions on tobacco purchases by bonafide tourists and for other categories such as ships stores. There is no tax on a plug of tobacco.	Rates are effective March 20, 1968.	Effective April 4, 1969, the tax on cigarettes increased from 1/10 to 4/10 of 1¢ per cigarette, and the tax on other tobacco products is increased from 5% to 10% of retail price.  Taxes levied under this Act are used in providing health services (hospital benifits, medical care, etc.) for residents of province.	Rates are effective April 1, 1969.	No tax is levied on le tobacco or on ciga sold at 5¢ each. less.

TABLE 5. Miscellaneous Provincial Taxes - Continued

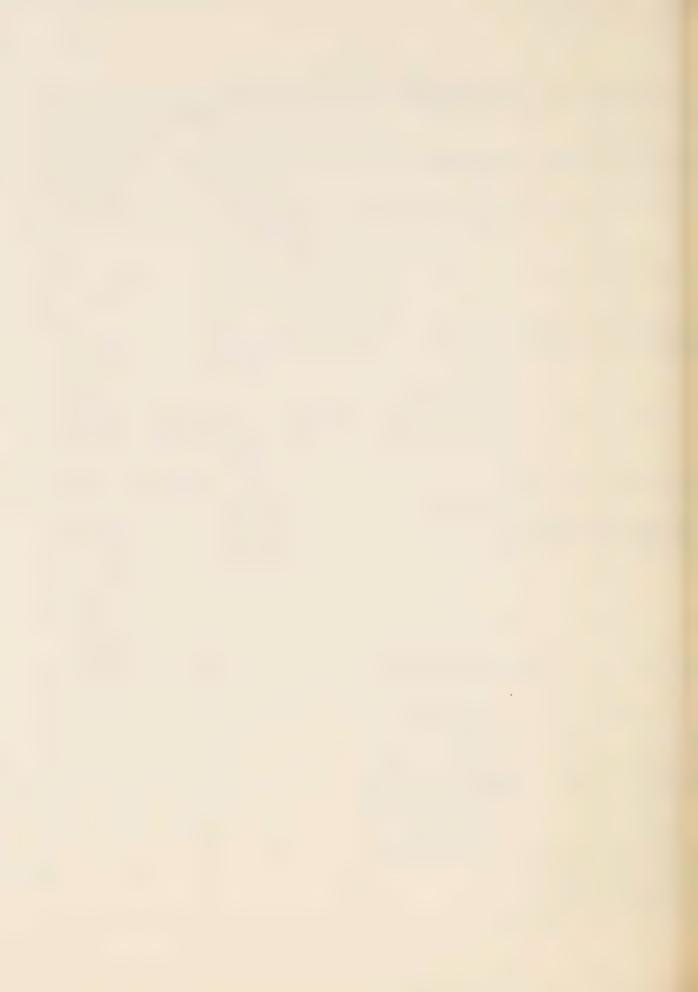
ABLE 5. Miscellaneous Provincial Taxes - Continued							
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
Race Tracks Tax t; R.S.O. 1960, c 1, and amend- nts.	The Amusements Act; R.S.M. 1954, C4, and amendments.	The Horse Racing Reg- ulations Act; R.S.S. 1965, c 384, and amendment.	The Amusements Act; R.S. 1955, c 13, and amendments.	Pari Mutuel Betting Tax Act; R.S. 1960, c 274.	-		1
mutuel betting	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool			2
7%	10% less 1½% commission paid track	10%	5%	12%			3
tive March 13, 38 the rate increasto 7% from 6%.		Under the provisions of Bill 68 (1968) the rate was increased to 10% from 5%.	-				4
Tobacco Tax Act, 135; c 130, and lendments.	The Tobacco Tax Act; S.M. 1963, c 88 and amendments,	The Tobacco Tax Act; R.S.S. 1965, c 68, and amendments.	Tobacco Tax Act	The Cigarette and Tobacco Tax Act; S. 1971 c 7.	-	-	5
'igarette; by retail noe of cigars; by right for other to-	By cigarette; by retail price of cigars; by weight for other manufactured tobacco.	By cigarette according to length; by retail price of cigars and by weight for other tobacco products.	By cigarette; by retail price of cigars and by weight for tobacco (including plugs and snuff).	By cigarette; by re- tail price of cigars; by weight for other tobacco products.	į		6
s - ½ of 1¢ each every 5¢ (or part reof) of retail ce tobacco products— per ounce (or part reof).	each Cigars from: 7¢ - 1¢ each 8¢ to 12¢ - 2¢ " 13¢ " 17¢ - 3¢ "	millimeters long — 8/25 of 1¢ each Cigarettes over 85 millimeters long — 9/25 of 1¢ each Cigars from: up to 7¢ — 1¢ each 8¢ to 15¢ — 2¢ " 16¢ " 25¢ — 4¢ " 26¢ " 35¢ — 6¢ " 36¢ " 45¢ — 8¢ " over 45¢ — 10¢ "	7¢ oriess - 1¢ each 8¢ to 15¢ - 2¢ " 16¢ " 22¢ - 3¢ " 23¢ " 32¢ - 5¢ " 33¢ " 42¢ - 7¢ " over 43¢ - 9¢ "	Cigarettes 8/25 of 1¢ each Cigars — 7¢ or less — 1¢ each 8¢ to 15¢ — 22¢ " 16¢ to 22¢ — 3¢ " 23¢ to 32¢ — 5¢ " 33¢ to 42¢ — 7¢ " over 43¢ — 9¢ " Other tobacco products — 2¢ per 1/2 oz. or part thereof.			7
rate on cigarettes reased to 2/5 of leach from 3/10 of each effective rch 5, 1969. Rates cigars and other acco products are active March 13, 18.	_	The above-quoted rates are effective March 1, 1968.	The Tobacco Tax Act became effective June 30, 1969.	The Cigarette and Tobacco Tax Act become effective February 5, 1971.			8

TABLE 5. Miscellaneous Provincial Taxes - Concluded

		TABLE 5. Miscellaneous Prov	Prince Edward Island	Nova Scotia
No.		Newfoundland	Fillice Edward Island	Nova Beotia
1	Miscellaneous taxes Name of tax	Telegraph and wireless tax		Tax on long-distance telephone calls
2	Statutory authority	The Telegraph Tax Act; R.S.N. 1952, No. 33.		Corporations Tax Act; R.S. 19
3	Basis	(a) by telegraph cables to places outside of the Province; and (b) by wireless station communicating with any place, ship, or vessel outside the province. (c) amount received for telegraphic messages passing over the land lines of a company in the province.		Toll charge
4	Rate	(a) \$4,000 per cable (max. tax \$20,000). (b) \$4,000 per station. (See comment.)		5¢ for each 50¢ toll charge or p thereof.
5	Comments	(c) 1% No tax is charged if the purpose of the wireless station is only for the reporting of passing ships or vessels.		Tolls under 25¢ are exempt.
6	Name of tax	Business tax	Tax on alcoholic beverages	_
7	Statutory authority	-	The Health Tax Act; R.S.P.E.I. 1951, c 71, and amendments	
8	Basis	Registration fee for every company	Retail price	
9	Rate	\$100.00 per year	10%	} 
10	Comments	Formerly \$5.00 per year	Retail sales are made through provin- cial government liquor stores	
11	Name of tax	- Tomas - Toma	_	_
12	Statutory authority			
13	Bests		1	
14	Rate			
15	Comments			

TABLE 5. Miscellaneous Provincial Taxes - Concluded

	TABLE 5. Miscellaneous Prov	inclai Taxes -	Concluded			
Quebec	Ontario	Saskatchewan	Alberta	British Columbia	Yukon Territory	No.
Telecommunications  Telecommunications  Tax Act; 1965, c 28.	Professional boxing and wrestling events  The Athletics Control Act; R.S.O. 1960 c 26.  Gross receipts of professional boxing and wrestling events.		Fur tax  The Game Act; R.S.A. 1965,c 126, and a- mendments.  Per pelt		Fur tax  Fur Export Ordinance; R.O. 1958, c 49, and amendments.  Per pelt	1 1 2
8%	2%		Various		Various	4
increased from 6% effective March 17, 7. Applicable to long distance telene calls, telegrams and other telecomications.			Rates are estab- lished by reg- ulations with a range from 2¢ to \$1.25 per pelt.		Rates are estab- lished by reg- ulations with a range from 1¢ to \$5.00 per pelt. Effective April 4, 1968.	
Meals and lodging tax	Land transfer tax	Motor vehicle	Bus mileage tax	Hotel and motel room tax	Alcoholic beverages tax	6
and Hotels Tax Act; 1965, c 30.	The Land Transfer Tax Act, R.S.O. 1960, c 205, and amendment.	The Motor Vehi- cle Insurance Premiums Tax Act, 1967; c 19.	The Public Service Vehicles Act: R.S. 1955, c 265, and amendments.		Liquor Ordinance, O.Y.T. 1970 (1st) c 3.	, 7
als priced \$1.25 and over; on alcoholic erages; on any aerated water, to which ence or syrup has been added, and on the of lodging.	Purchase price	Premium income	By passenger mile.	Purchase price of accommodation in hotels and motels.	By the bottle, flask, or gallon.	8
18% is not payable by persons employed in establishment on the price of lodging meals supplied to them by the person keeps the establishment. Beer served tavern is not taxable.	Up to \$25,000 – 1/5 of 1% \$25,000 and over – 2/5 of 1%	1%	2/15 of 1¢ per passenger mile on hard surface roads; 2/45 of 1¢ per pas- senger mile on gravel roads.	5%	10¢ on each dozen bottles of beer 10¢ on each half-bottle of table wine 20¢ on each bottle of table wine 20¢ on each bottle of fortified wine 45¢ on each bottle of fortified wine 20¢ on each flask of spirits 50¢ on each flask of spirits 10¢ on each gallon of draft beer 100¢ on fact be 100 on each gallon of draft beer 100¢ of faft beer	9
ncreased to 8% from 6% effective April 1967.	-	-	-	Effective April	Rates are effective January 23, 1968.	10
Security transfer tax	Security transfer tax	-	-		www	11
ty Transfer Tax Act; R.S. 1964, c 77, amendments.	The Security Transfer Tax Act; R.S.O. 1960, c 364.			[		12
price of securities transferred	Sale price of securities transferred			1		13
and debentures, 3¢ for every \$100, or tion thereof. sold, transferred or assigned: under \$1	Bonds and debentures, $3\phi$ per \$100 or fraction thereof, of par value Shares sold, transferred or assigned: Value under \$1 - 1/10 of 1% of value \$1 to \$5 - \frac{1}{4}\phi per share \$2 * 25 - 1\$\phi\$ " \$25 * 50 - 2\$\phi\$ " \$50 * 75 - 3\$\phi\$ " " \$75 * 150 - 4\$\phi\$ " " \$10 of 1% value in excess of \$150					14
cies issued by a municipal corporation school board in Quebec and securities anteed as to principal and interest by zovernment of Canada or by the governgo of a province of Canada or by a munilcorporation or school board in Quebec exempt	-					15



## PART IV

REAL PROPERTY TAXES



## **PROVINCIAL GOVERNMENTS**

Provincial property taxes are levied by New Brunswick at the rate of  $1^1/2$  p.c. of market value assessment on all land and buildings in the province; a similar tax on business occupancy is also levied. The revenue from these sources is used to finance education, health, welfare and justice services which, until January 1, 1967, were the responsibility of New Brunswick municipalities.

Certain other provinces also impose property taxes which are not significant from a revenue stand-point; however, the following are some brief comments thereon.

Nova Scotia imposes a "land tax" but it is of limited application. In unorganized (non-municipal) areas, the Province of Ontario levies a property tax of  $1^1/2$  p.c. of assessed value with a minimum annual tax of \$6.00 in respect of any land. British Columbia also imposes a property tax in unorganized (non-municipal) areas at varying rates ranging from 1/2 of 1 p.c. of the assessed value of farm land, to 7 p.c. for (operating) coal land. Under the Taxation Ordinance, Yukon Territory levies a property tax on the "fair value" assessment on all real property (non-municipal) at a rate determined annually for territorial purposes.

#### LOCAL GOVERNMENTS

The principal revenue-producing tax available to local governments is that levied on real property situated within their jurisdictions. While access to this type of taxation is open to many local governments, in practice municipalities generally set rates and levy real property taxes on their own behalf and on behalf of the other local governments in their areas. Exceptions to this are New Brunswick, where the municipalities set rates but where imposition is carried out by the provincial government, and most of Quebec outside the Montreal area, as well as Prince Edward Island and the unorganized parts of Ontario, where school boards levy their own real property taxes.

The real property tax rate is expressed in mills per dollar (or dollars per \$100) of the taxable assessed value of the property being taxed. Actual mill rates vary widely even between adjacent and generally similar municipalities. In editions of this publication up to 1968 actual mill rates for selected major municipalities were shown with the admonition that direct comparison of mill rates should not be attempted since variations in assessment practices meant that the rates had no common base and were, therefore, incommensurable.

In the 1969 and 1970 editions attempts were made to produce comparable real property tax rates for selected major municipalities by constructing implicit rates of taxation. The implicit rate was calculated as the percentage of actual taxes to market value for a representative or typical piece of property. It is now realized that this approach is much too simplistic to provide a satisfactory solution to the problem of comparability since it was directed only at eliminating the effects on mill rates of variations in assessment.

In fact, the real property tax rate in a municipality iepends not only on local assessment practices but also on the location and physical make-up of the municipality, the type and level of services the municipality provides and those provided by other local governments whose financial requirements are incorporated in the nunicipal levy, and the methods the municipality and

the other local governments use to finance the provision of these services. Within each of these major factors which influence the mill rate are other variables too numerous to mention here.

Thus, each municipality's real property tax rate is unique and valid comparisons of the tax rates of different municipalities cannot be made at present. It has been decided, therefore, to discontinue the provision of information on municipal real property tax rates since these are easily obtainable direct from individual municipalities.

#### Home-owners' Subsidies

Grants to home-owners to alleviate the burden of real property taxation are made generally by the provincial governments of Ontario, Saskatchewan, Alberta and British Columbia and, in a special case, by that of Manitoba.

#### Ontario

- (1) In Ontario the Residential Property Tax Reduction Act provides for the reduction of municipal taxes on residential property. Every local municipality allows a credit on municipal taxes on the first \$2,000 of assessment at an equalized mill rate on the tax bills of residential tax payers. The municipality is reimbursed by the province for the total amount of these credits. Landlords are required to pass on to tenants the full amount of the tax credit applicable to the property under lease. \$136 million was budgeted in 1970 71 to meet this expenditure.
- (2) In 1970, \$100 in Supplementary Tax Relief was provided to all elderly citizens or couples in Ontario who receive the federal Guaranteed Income Supplement and maintain an independent household. This grant is in addition to the Residential Property Tax Reduction grant and is likewise available to tenants as well as home-owners. In 1970 71 \$10 million was budgeted for this purpose. It is administered directly by the Department of Municipal Affairs.

#### Saskatchewan

In Saskatchewan home-owners who have lived in their present homes for six months and who have paid their current local taxes receive a direct grant from the province of \$60 or one-half the year's property taxes, whichever is less. In 1970 the estimated grant to homeowners was \$10.9 million.

#### Alberta

In Alberta the estimated home-owner tax discount of \$13.8 million in 1970 - 71 provides for a discount of \$50 on the taxes of owner-occupied eligible residences in the province. The amount of the discount is paid by the province to the municipality when the home-owner has paid the balance of his taxes.

### **British Columbia**

In British Columbia the home-owners' grant provides tax relief for resident home-owners. The maximum amount of this grant has been set at \$170 per property in 1971, and is paid to the municipality on behalf of the home-owner who pays the balance of the taxes levied on his property. The budget covering this payment is made up as follows:

Provincial home-owner grants (ap-	
plied to school levies)	\$60,500,000
Provincial home-owner grants (ap-	
plied to non-school municipal	
levies and paid to municipal gov-	
ernments)	5,830,000
Home-owners' subsidy deducted	
from home-owners' taxes in un-	
organized territory	890,000
Total	67,220,000

#### Manitoba

In Manitoba the school tax rebate is now provided only in the three school division areas — Rhineland, Garden Valley and Fort La Bosse — where the electors have not approved the amalgamation of the local (elementary) school boards with the divisional (secondary) school boards. These three areas, therefore, do not participate in the Education Foundation Program. The rebate remains unchanged at the lesser of \$50 or 50 per cent of the yearly school tax, and is applied as a discount at the time of payment of the balance of the municipal taxes. The municipality is subsequently reimbursed by the province.



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# Principal taxes and rates:

FEDERAL, PROVINCIAL AND/LOCAL GOVERNMENTS,

1972





### STATISTICS CANADA

Governments Division

# PRINCIPAL TAXES AND RATES

# FEDERAL, PROVINCIAL AND LOCAL GOVERNMENTS

1972

Published by Authority of
The Minister of Industry, Trade and Commerce

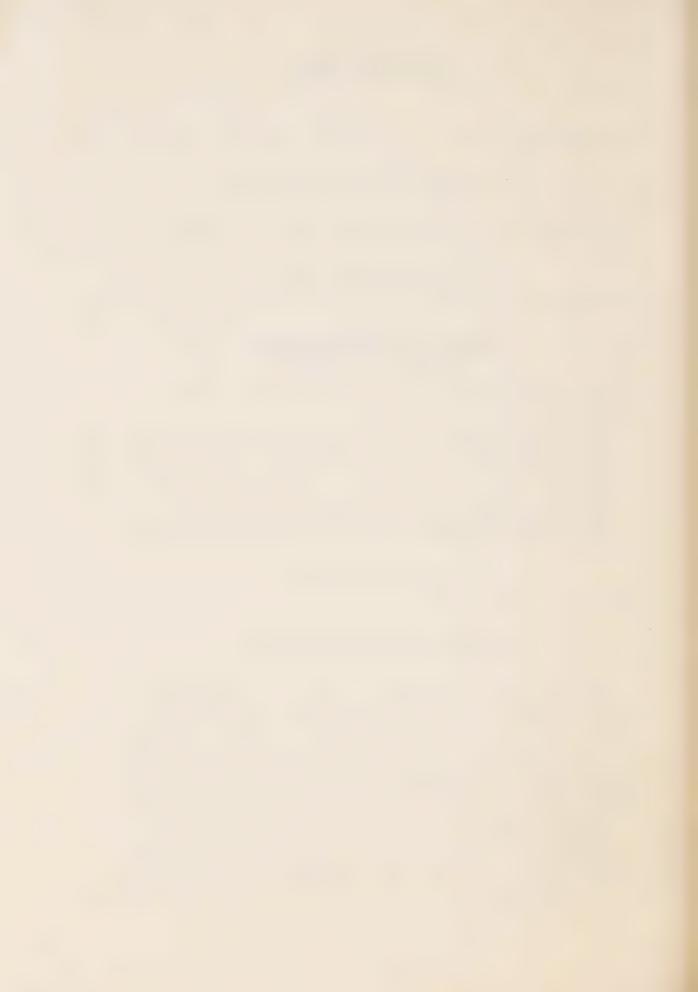
September 1972 8502-504

Price: 75 cents



# TABLE OF CONTENTS

	Page
Introduction and General Commentary	5
PART I. Income and Gift Taxes and Succession Duties	
Table	
1. Income Taxes levied by the Federal Government	13
2. Income and Gift Taxes and Succession Duties levied by Provincial Governments	
PART II. General Sales Taxes	
3. General Sales Taxes levied by the Federal and Provincial Governments	24
PART III. Other Important Taxes levied by the Federal and Provincial Governments	
4. Excise Duties and Excise Taxes levied by the Federal Government	33
5. Miscellaneous Provincial Taxes:	
Amusement Taxes	
Motive and Other Fuel Taxes	34
Motor vehicle Registrations and Driving Permits	36
Insurance Premium Taxes	36
Race Track Taxes	38 38
Tobacco Taxes	40
Hospitalization and Medical Care Premiums and Payroll Taxes	40
Other Taxes (alcoholic beverages taxes, land transfer taxes, meals and lodging taxes,	
security transfer taxes, telecommunications taxes, logging taxes, etc.)	42
PART IV. Real Property Taxes	
Provincial and Local Governments	47
PART V. Historical Summaries of Selected Taxes	
Table	
I. Historical Summary of the Personal Income Taxes levied by the Federal Government, 1962 to 1972	52
II. Historical Summary of the Personal Income Taxes levied by the Province of Quebec, 1962 to 1972	54
III. Historical Summary of the Personal Income Taxes levied by the Provinces Other than Quebec, 1962 to 1972	56
IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Pro- vincial Governments, 1962 to 1972	56
V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1962 to 1972	58
VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1962 to 1972	60
VII. Historical Summary of the Federal Taxes on Alcoholic Beverages and Tobacco Products, 1962 to 1972	64



### INTRODUCTION

The purpose of this publication is to present a concise summary of the structures of the more important taxes imposed in Canada.

The format of the report has been designed to facilitate comparison of similar taxes in different jurisdictions.

The publication is divided into five parts, as follows:

Part I: Income and Gift Taxes and Succession Duties

Part II: General Sales Taxes

Part III: Other Important Taxes Levied by the Federal and Provincial Governments

Part IV: Real Property Taxes

Part V: Historical Summaries of Selected Taxes

The publication takes account of all tax changes announced prior to July 1, 1972.

### GENERAL COMMENTARY

Canada is a federal state with a central government and ten provincial governments. In 1867 the principal colonies of the British Crown in North America joined together to form the nucleus of a new nation, and the British North America Act of that year became its written constitution. This statute created a central government with certain powers while continuing the existence of political subdivisions called provinces with powers of their own.

Under the British North America Act the Parliament of Canada has the right to raise "money by any mode or system of taxation" while the provincial legislatures are restricted to "direct taxation within the province in order to the raising of a revenue for provincial purposes". Thus the provinces have a right to share only in the field of direct taxation while the federal government is not restricted in any way in matters of taxation. The British North America Act also empowered the provincial legislatures to make laws regarding "municipal institutions in the province". This means that municipalities derive their incorporation with its associated powers, fiscal and otherwise, from the provincial government concerned. Thus, municipalities are also limited to direct taxation.

A direct tax is generally recognized as one "which is demanded from the very person who it is intended or desired should pay it". As a result of court decisions, the concept enjoys fairly broad interpretation and allows the provinces to impose income taxes, general sales taxes at the retail level, succession duties and an assortment of other levies on ultimate purchasers or users of goods and services. In turn, municipalities, acting under the guidance of provincial legislation, tax real property, water consumption and places of business. The federal government imposes direct taxes on income and indirect taxes such as customs duties and manufacturer's sales and excise levies."

The increasing use by both the federal and the rovincial governments of their rights in the field of lirect taxation in the 1930's resulted in duplication of dministration and in some severe tax levies. In 1941, a ederal-provincial tax-sharing agreement was concluded a help finance the war effort. Its principal aim was to nsure an orderly imposition of direct taxes. The success of this initiative was such that a similar scheme was

worked out between the federal government and most of the provinces after the end of the war. Since then, tax-sharing agreements have been periodically negotiated between the two levels of government, normally for five-year periods. Under the earlier agreements, the participating provinces undertook, in return for compensation, not to impose, or permit their municipalities to use certain of the direct taxes. Under the arrangements which prevailed between 1962 and 1972, the federal government partially withdrew from the income and estate tax fields to allow for the imposition of corresponding provincial levies. The mechanism used in the process consisted in abating by a given percentage federal tax otherwise payable thus making it possible for the provinces to impose corresponding taxes equal to or somewhat higher than the abatement provided.

Under the present arrangements, the abatement mechanism has largely been abandoned as far as personal income tax is concerned. In this field, it exists only to help provide fiscal compensation to Quebec for having assumed full responsibility for programs which, in the other provinces, are financed partially or entirely by the federal government; the Quebec abatement is equal to 24 percentage points of the federal personal income tax. In the other provinces, provincial personal income tax is expressed as a percentage of federal personal income tax but there is no abatement of the federal levy.2 Under the present fiscal arrangements, the federal government maintains the abatement which prevailed between 1967 and 1972 in the field of corporation income tax to facilitate the imposition of corresponding provincial levies. Thus federal corporation income tax rates continue to be subject to an abatement of 10% in all provinces.

The present fiscal arrangements became operative on April 1, 1972 and will run until March 31, 1977. As part of these arrangements, the federal government has entered into tax collection agreements under which it

<sup>&</sup>lt;sup>1</sup> The federal government also remitted to the provinces without succession duties 75% of its estate tax collections in respect of decedents domiciled in those provinces.

<sup>&</sup>lt;sup>2</sup> Under the federal tax reform which took effect on January 1, 1972, the rates of federal personal income tax were adjusted to take account of a provincial tax at the rate of 30.5% in all provinces.

collects the provincial personal income taxes for all provinces except Quebec, the provincial corporation income taxes for all provinces except Ontario and Quebec, the provincial gift taxes for all provinces except Quebec and Alberta, and the provincial succession duties for the four Maritime Provinces and for Manitoba and Saskatchewan.<sup>3</sup>

The 1972 - 77 arrangements also maintain the situation that prevailed during the period 1967 - 72 with regard to the sharing of the federal corporation income tax on privately-owned power utilities; 95% of the federal revenue from this source continues to be remitted to the provinces. A new feature of the present arrangements is that tax-sharing has been extended to the taxation of corporation undistributed income; 20% of the federal revenue from this source is turned over to the provinces.

### **NOTE**

In the tables of this publication, the statutory authority under which taxes are levied at the federal and provincial levels of government is provided. The proper name of the statute or revised statute is ended by a semicolon. Following in order are the years during which the statute or revised statute was published, its chapter, and a statement as to whether there have been subsequent amendments to it; i.e., Excise Act; R.S. 1952, c. 99 and amendments.

<sup>&</sup>lt;sup>3</sup> Alberta does not impose gift taxes or succession duties.

# PART I

INCOME AND GIFT TAXES AND SUCCESSION DUTIES



### FEDERAL INCOME TAX

Under the federal Income Tax Act, tax is levied on the taxable income of individuals and corporations resident in Canada and on the taxable income of non-residents employed or carrying on business in Canada at any time during the year. A withholding tax is also levied on certain payments to non-residents. Canada has entered into income tax conventions with several countries in

order to avoid double taxation of the same income and to prevent fiscal evasion.

1972 was the year of federal income tax reform in Canada. The changes that the reform brought about are summarized in the following paragraphs.

### The Federal Income Tax Reform

### I. General

Background - In 1962, the federal government appointed a Royal Commission to "inquire into and report upon the incidence and effects of taxation imposed by Parliament" and other related matters set forth in the Order in Council which established the body. Headed by Kenneth Le M. Carter, the Commission was more than four years at work producing its report. Released in early 1967, the voluminous document became the object of intensive study on the part of government and the public at large. In 1969, the federal government issued a White Paper outlining its proposals for reform of the income tax. This White Paper was thoroughly scrutinized by tax specialists, public finance analysts and the general public, and numerous representations were made on its content. These representations were carefully reviewed and, in 1971, the federal government placed before Parliament income tax reform proposals to take effect on January 1, 1972.

Synopsis - The federal income tax reform which became effective on January 1, 1972 makes a number of significant revisions to the previous system. It introduces the taxation of capital gains. It integrates all levies on personal income into a single impost designed to ensure a more equitable distribution of the tax burden and provides in the process a system of exemptions that effectively removes low income earners from the tax rolls and considerably reduces the tax burden on a large number of taxpayers. It modifies the taxation of corporations by distinguishing between business and investment income and between private and public corporations, and by providing a special low rate of tax on the business income of small Canadian-controlled private corporations. It abolishes the federal taxation of estates and gifts. It brings about significant changes in the taxation of mining and oil and gas income, in the deduction of business expenses, and in the taxation of international income (most of the changes pertaining to the taxation of international income do not become operative until 1976).

Capital gains — The revised income tax system taxes capital gains. The general rule is that one half of capital gains are brought into income and taxed at normal personal or corporation rates. However all taxpayers can deduct one half of their capital losses against the capital

gains which they bring into income; in the event of not having sufficient capital gains brought into income to offset his deductible capital losses, an individual can also deduct up to \$1,000 of capital losses against income from other sources. Gains are generally taxable and losses deductible when a taxpayer sells an asset, makes a gift, or dies. Exempt from taxation is any gain realized by a taxpayer in selling his home together with surrounding land of one acre or less, and any gain on the sale of personal property at a price not in excess of \$1,000. Farmers have a choice of either being exempt on any gain made on their principal residence only or, alternatively, they can deduct \$1,000 per year of possession from the gain realized on the sale of all their farm property including their principal residence. Generally speaking, a capital gain is defined as the appreciation of an asset between valuation day or day of purchase, whichever is higher, and the date it is disposed of. Valuation day for purposes of capital gain taxation has been set at December 22, 1971 for shares which are publicly traded on Canadian stock exchanges and December 31, 1971 for all other assets such as bonds, rental properties, cottages and mortgages.

### II. Personal Income Tax

### The Concept of Personal Income

Personal income is significantly broadened under the new system. Half of capital gains are brought within its ambit. This accounts for the most notable enlargement of this tax base. Other additions to income include:

- (a) payments from income maintenance insurance plans to which the taxpayer's employer has made a contribution,
- (b) unemployment insurance benefits,
- (c) allowances paid under the Adult Occupational Training Act (not including the portion for personal or living expenses while away from home for training),
- (d) allowances paid under the Textile and Clothing Board Act,
- (e) scholarships, fellowships and bursaries subject to a \$500 exemption, and
- (f) amounts contributed on an employee's behalf to a public medical care plan.

### Rates

The old age security and social development taxes are eliminated as separate levies and the 4% tax on investment income from sources outside of Canada is cancelled. The new system melts all previous federal levies applicable to taxable income into a single impost at the following rates:

17%	on	the	first \$50	of of	taxable	e in	come	
\$		on		plu			next	\$ 500
	175		1,000	) "	19%	6.6	6.6	1,000
	365	6.6	2,000	) "	20%	6 6	6.6	1,000
	565		3,000	) "	21%	6 6	6.6	2,000
	985		5,000	6.6	23%	6.6		2,000
1,	445	6.6	7,000	( 6	25%	6.6	6.6	2,000
1,	945	6.6	9,000	) "	27%	6.6	6.6	2,000
2,	485	6.6	11,000	1 66	31%	6.6	6.6	3,000
3,	415	6.6	14,000	) "	35%	6.6	6.6	10,000
6,	915	6.6	24,000		39%	6.6	6.6	15,000
12,	765	6.6	39,000	1 66	43%	6.6	6 6	21,000
21,	795	6.6	60,000	"	47%	on	exce	SS

Note: These are the federal tax rates; the provincial rates are shown on pages 16 and 17.

### **Exemptions and Deductions**

The new system increases personal exemptions for single, married, handicapped and older taxpayers and creates new deductions for expenses incurred by taxpayers in the process of earning income. The revised exemptions and deductions are as follows:

### (a) Personal Exemptions:

Single taxpayer	\$1,500
Married taxpayer	2,8501
Dependant under 16 years of age	300 <sup>2</sup>
Dependant aged 16 years or over	550 <sup>3</sup>
Taxpayer aged 65 years or over	650
Individual who is blind or confined to a wheelchair	650

 $<sup>^{1}</sup>$  The additional \$1,350 for supporting a spouse is reduced by \$1 for every \$1 of the spouse's income in excess of \$250.

<sup>2</sup> Reduced by \$1 for every \$2 of the dependant's in-

come in excess of \$1,000.

<sup>3</sup> Reduced by \$1 for every \$1 of the dependant's income in excess of \$1,050.

### (b) Deductions:

Standard deduction	\$100 <sup>1</sup>
Charitable donations	up to 20% of income
Medical expenses	in excess of 3% of income
Union and professional dues	without restrictions
Child care expenses	\$500 for each child under 14 years of age (max. \$2,000 per family)
Employment expenses	up to 3% of employment income (max. \$150)
Moving expenses	removal expenses incurred by a taxpayer who changes job

 $<sup>^{\</sup>mbox{\scriptsize 1}}$  In lieu of deductions for charitable donations and medical expenses.

The new system substantially increases deductible contributions to retirement plans. The limits on contributions to registered pension plans and deferred profitsharing plans are raised from \$1,500 to \$2,500. The limits on contributions to registered retirement savings plan are raised from \$2,500 or 20% of earned income to \$4,000 or 20% of earned income.

### Tax Abatement, Reduction and Credit

The previous arrangement under which federal "basic" tax was abated in all provinces to make room for provincial taxes has been changed. The abatement system has largely been abandoned. Provinces which have entered into tax collection agreements continue to impose their tax as a percentage of federal tax but their impost does not abate federal tax. The only remaining federal tax abatement is the 24 percentage points allowed in Quebec in recognition of the fact that this province entirely finances certain programs which are partly or wholly financed by the federal government in the other provinces.

A temporary tax reduction equal to 3% of federal tax is granted to all taxpayers in 1972. This tax reduction was introduced by the statement made by the federal Minister of Finance on October 14, 1971, in the context of special measures designed to promote a rapid increase in employment.

The new system introduces a change in the dividend tax credit. Taxpayers increase the amount of their dividends by one-third and include the amount in income. A credit against federal tax is allowed equal to four fifths of the "grossed up" one third of dividends added to income.

### **Income Averaging**

The new system has two provisions for averaging income over a number of taxation years to reduce tax liability in a year when the taxpayer benefits from a substantial appreciation in income. The first is called general averaging. It applies when a taxpayer's income for a year is 20% more than the average of the preceding four years and 10% more than the immediately preceding year. An automatic calculation is made by the Department of National Revenue using information on the taxpayer's return for the taxation year and the preceding four years. The taxpayer does not have to elect or make the calculation. This averaging calculation is first to apply in 1973 using only one preceding year. The second averaging provision is called forward averaging and, as its name implies, is designed to spread unusual lump-sum receipts in equal portions over the current and future years. Forward averaging is to be accomplished through the purchase of a special type of annuity called an incomeaveraging annuity. The annuity payments are included in income in the year they are received. The annuity may be for life or for a guaranteed term of up to 15 years.

### III. Corporation Income Tax

The new system brings about several changes in the taxation of corporation income. Most of these stem from the distinctions which it makes among corporations. The most important of these is that between private and public corporations. A public corporation is defined as a corporation whose shares are listed on a prescribed Canadian stock exchange or which meets certain conditions and either is designated by the Minister of National Revenue or elects to be a public corporation. A private corporation is any corporation that is not a public corporation or that is not controlled by a public corporation. The new system also makes distinctions based upon whether a corporation has business or investment income and whether it is Canadian or non-Canadian controlled. Under the previous system, no such distinctions were made among corporations.

### Concept of Income

A corporation must include one half of its capital gains in income. Half of its capital losses are deductible from the capital gains brought into income.

### Rates Applicable to Business Income

The rates applicable to the business income of corporations, before abatement for provincial taxes, are as follows:

(a) Public corporations:

50% (reducing by one percentage point annually to 46% in 1976).

(b) Canadian-controlled private corporations:

25% on the first \$50,000 of taxable income from an active Canadian business and 50% (reducing by one percentage point annually to 46% in 1976) on taxable income in excess of \$50,000 (the 25% rate on the first \$50,000 of taxable income is available until taxable income of \$400,000 has been accumulated).

# Rates Applicable to Investment Income and Certain Investment Corporations

Investment income means interest, rents, royalties, one half of capital gains and similar types of income that result from holding property. Dividend income is also included in investment income but is taxed separately under different rules. The rates applicable to the investment income of corporations are as follows:

(a) Dividend income of public corporations:

Exempt unless paid out of the designated surplus of a corporation controlled by the receiving corporation.

(b) Other investment income of public corporations: 50% (reducing by one percentage point annually to 46% in 1976).

(c) Dividend income of private corporations:

Normally exempt if received from subsidiary corporations; 33-1/3% if received from non-subsidiary corporations but fully refunded if dividends are paid to shareholders (for every \$3 of dividend paid, \$1 of tax is refunded).

(d) Other investment income of private corporations:

50% (reducing by one percentage point annually to 46% in 1976) subject to the provision that half the tax paid is refunded when dividends are paid to shareholders (for every \$3 of dividends paid, \$1 of tax is refunded).

(e) Investment corporations:

25%.

(f) Mutual fund corporations:

Taxed as public corporations except that tax paid on capital gains is refundable as the corporations pay dividends from their capital gains or redeem their shares.

(g) Mutual fund trusts:

Tax on their capital gains is refundable in a manner similar to mutual fund corporations.

### Distribution of Capital Gains

The general rule is that one half of any capital gain realized by a private corporation may flow tax-free to its Canadian shareholders. The private corporation upon realizing the gain includes half of it in income and pays tax at full rate on that half. The other half is placed in a capital gain surplus account. Dividends paid by the private corporation out of the capital gain surplus account are tax exempt in the hands of Canadian shareholders.

### Tax Abatement and Reduction

There is an abatement of federal rates in all provinces to make room for the imposition of similar provincial levies. The abatement is 10% of taxable corporate profits and effectively reduces the federal rates to 40% and 15% respectively.

A temporary reduction equal to 7% of taxable corporation profits is also allowed in 1972. This tax reduction was introduced by the statement made by the federal Minister of Finance on October 14, 1971, in the context of special measures designed to promote a rapid increase in employment.

### IV. Other Changes

Foremost among the other tax changes made by the new system is the repeal of the federal estate and gift taxes.

Other changes made by the new system are as follows:

(a) amounts paid for the use or maintenance of a yacht, camp, lodge or golf course facilities are disallowed as deductible expenses,

- (b) amounts paid as membership fees or dues in clubs which exist principally for the purpose of providing dining, recreational or sporting facilities to members are disallowed as deductible expenses,
- (c) the amount that must be included in income where a car is available for personal use may not be less than a reasonable charge based upon the cost of purchasing or hiring the car,
- (d) interest on money borrowed by a corporation to buy shares in other corporations is recognized as a deductible expense,
- (e) goodwill and similar assets become depreciable for tax purposes,
- (f) the treatment of expenses incurred in the exploitation of mines and oil and gas properties is significantly altered,
- (g) significant modifications are made in the treatment of income derived from mining and oil and gas operations,
- (h) significant modifications are made in the treatment of international income, i.e., income derived from foreign sources by Canadian residents and income derived from Canadian sources by non-residents (many of these changes, however, are not scheduled to become operative until 1976 to allow time to negotiate new tax treaties and renegotiate existing ones).

The major changes are as follows:

### (i) Income of Canadian residents from foreign sources:

The credit for foreign taxes paid on overseas business income may be carried forward for up to five years.

After 1975, the credit for foreign tax on investment income of individuals is to be limited to 15%, and any excess of foreign tax is to be treated as a deductible expense.

Income taxes paid to states, or other political subdivisions of foreign countries, are recognized either as a deductible expense or as an income tax eligible for the foreign tax credit.

After 1975, the exemption for dividends received by Canadian corporations from foreign affiliates is to be restricted to dividends from treaty country and dividends received in non-treaty circumstances are to be taxed with relief provided for any taxes paid on the dividends and on the underlying earnings from which the dividends are paid.

### (ii) Canadian income of non-residents:

The general rate of withholding tax on investment income of non-residents remains at 15% until December 1975; thereafter it increases to 25%.

The rate of withholding tax on dividends paid by a corporation with a degree of Canadian ownership continues to be five percentage points less than the general rate.

Pensions and similar payments to non-residents are subject to withholding taxes at the general rate.

The rate of tax on non-resident-owned investment corporations remains at 15% until the end of 1975, then increases to 25%. The income of these corporations includes the full amount of capital gains that would be taxable to non-residents, but not other gains. Dividends paid to shareholders are subject to withholding tax but the taxes paid on the earnings which are distributed are refunded to the corporations.

### The 1972 Federal Budget

The 1972 federal budget was brought down on May 8, 1972. It introduced a number of changes in federal income taxation. In the area of personal income tax, it increased from \$650 to \$1,000 the special exemptions for taxpayers aged 65 years of age and over and for blind and disabled taxpayers. It also provided an exemption of \$50 a month for students in full-time attendance in post-secondary educational institutions. The exemption is available to students or to parents or relatives who support them (any taxable income earned by a student must be deducted from the exemption claimed by a parent or a relative). These changes are effective from January 1,

1972. In the area of corporation income tax, the budget announced that the general rate applicable to manufacturing and processing income earned in Canada would be reduced to 40% and that the special rate applicable to the first \$50,000 of business income of Canadian private companies would be reduced to 20% where such income was derived from manufacturing and processing operations in Canada. These changes will become effective on January 1, 1973. The budget also provided for the full depreciation in two years of machinery and equipment purchased after May 8, 1972 by Canadian manufacturing and processing concerns.

TABLE 1. Income Taxes levied by the Federal Government

Category	Statutory authority	Basis of measurement of tax	Rate	Exemptions, deductions, tax credits, etc.
ome tax—Indi- iduals	Income Tax Act; S.C. 1970-71. C. 63 and amendments		\$ 85 on \$ 500 plus 18% on next \$ 1,000 365 '' 2,000 '' 19% '' 1,000 565 '' 3,000 '' 21% '' 2,000 985 '' 5,000 '' 23% '' '' 2,000 1.945 '' 7,000 '' 25% '' '' 2,000 1.945 '' 9,000 '' 27% '' '' 2,000 1.945 '' 11,000 '' 31% '' '' 3,000 3.415 '' 14,000 '' 35% '' '' 15,000 6.915 '' 24,000 '' 39% '' '' 15,000	Main exemptions and deductions from net income to arrive at "taxable income" are:  Single taxpayer \$1,50  Married taxpayer 2,85  For each dependent child including nephology of picconnection 15
2				lowed as a credit against tax.  The personal income tax liability of an individual who is a resident of Quebec is abated by 24%.  Atemporary tax reduction equal to 3% of personal income tax is granted to all taxpayers in 1972.
ne tax—Cor- rations	Income Tax Act	Business income.	Public corporation - 50%.  Canadian-controlled private corporation: 25% on the first \$50,000 and 50% on excess.	There is an abatement of 10% of total taxable income earned in the provinces to make room for the imposition of provincial levies.  A temporary reduction equal to 7% of total tax payable is allowed in 1972.
		Investment income (other than dividend income) including half of capital gains.	50% of such income subject to the provision that half the tax paid by private corporations is refunded when dividends are paid to shareholders.	
,		Dividend income.	Public corporations—generally exempt, Private corporations—exempt if received from subsidiary corporations; 33-1/3% of such in- come if received from non-subsidiary corpora- tions but fully refunded when distributed.	
1	Income Tax Act	Profits of non-resident corporations carrying on business in Canada.	15%	Deductions from taxable income earned in Canada: Federal and provincial income taxes. An allow- ance in respect of net increases in business investment in Canada.
olding tax on ments to non- cidents	Income Tax Act	Investment income of ; non-residents.	General rate — 15% on interest, dividends, management fees, rents, royalties, alimony, patronage dividends, and pension payments.  10% on dividends paid by a corporation "having a degree of Canadian ownership" (25% of voting equity stock), and on rentals of motion picture films and TV tapes.	Exemptions:  Interest on bonds or obligations issued after April 15, 1966 by the Government of Canada or any of the provinces, by any agent of a province, educational institution or hospital with provincial guarantee or by any local government established under provincial law.  Interest on certain bonds issued before December 20, 1960.  Interest payments to certain non-resident exempt institutions.



## INCOME AND GIFT TAXES AND SUCCESSION DUTIES LEVIED BY PROVINCIAL GOVERNMENTS

### Personal Income Tax

In every province, a tax is levied on the income of individuals who reside or, in the case of non-residents, who earn income from sources within its boundaries. In all provinces except Quebec, this tax is expressed as a percentage of the corresponding federal levy and is collected by the federal government under the terms of agreements with the provinces. In Quebec, the tax is imposed at graduated rates on taxable income and is collected by the provincial government.

The tax rates of the tax collection agreement provinces had to be revised in 1972 as a result of the federal personal income tax reform. The revision started from the assumption that 30.5% of the new federal tax was the equivalent of 28% of the previous "basic tax". Ontario's new tax rate is lower than 30.5% of federal tax due to a 3% provincial tax reduction for the 1972 taxation year. British Columbia's new tax rate stands at 30.5% of federal tax. The new rates of the other tax collection agreement provinces exceed 30.5% of federal tax.

Quebec revised its personal income tax for 1972 to maintain relative compatibility with the corresponding federal levy. Half of capital gains are taxable and half of capital losses are deductible from the capital gains brought into income for tax purposes. The exemptions and deductions allowed in computing taxable income are in line with the corresponding federal reliefs with the exceptions of the deduction for a dependent child eligible for family allowances which, as has been the case since 1967. is replaced by supplementary family allowance benefits1 and the special deduction for a taxpayer aged 65 years and over which is \$650 instead of \$1,000.2 The Ouebec personal income tax continues to differ from the federal personal income tax in another respect in that it completely relieves from tax married individuals whose net income does not exceed \$4,000 and single individuals whose net income does not exceed \$2,000. The Quebec tax rates are adjusted to take account of the changes made in the computation of taxable income and to insure a better distribution of tax burden among taxpayers. The revised rates range from 10% on the first \$2,000 of taxable income to 28% on taxable income in excess of \$60,000. The 6% surtax that applied to provincial personal income tax from 1968 to 1971 has been eliminated.

### Corporation Income Tax

All provinces levy a tax on corporation profits derived from activities carried on within their jurisdictions. In provinces other than Quebec and Ontario, the provincial corporation income tax is imposed on the same base as that established for federal corporation income tax purposes; these provinces have entered into agreements with the federal government for the collection by the latter of their corporation income taxes. In Quebec and Ontario, the determination of corporation taxable income follows closely but not exactly the federal rules; the two provinces collect their own levy.

Quebec and Ontario revised their corporation income taxes to provide in 1972 for the taxation of half of capital gains and for the deduction of half of capital losses as well as to make other changes to maintain relative compatibility with the revised federal corporation income tax legislation. No changes were made in provincial corporation income tax rates in 1972.

### Gift Taxes and Succession Duties

With the withdrawal of the federal government from the gift and inheritance tax field on January 1, 1972, all provinces with the exception of Alberta signified their intention to occupy some of the vacated area. Quebec, Ontario and British Columbia already had succession duties. These three provinces enacted gift tax laws and two of them, Quebec and Ontario, raised their succession duty rates. The six other provinces cooperated in the design of a succession duty and gift tax system having a relatively high degree of uniformity from province to province. The gift taxes and succession duties of these six provinces are collected by the federal government. Ontario and British Columbia collect their own succession duties but have their gift taxes collected by the federal government. Quebec collects its gift tax and succession duties.

Quebec, Ontario and British Columbia significantly broadened the various kinds of reliefs provided under their succession duty legislation in 1972. In Quebec all estates valued at \$100,000 or less and transmitted in direct line were relieved from succession duties. In Ontario estates valued at \$500,000 or less and transmitted to a spouse and all other estates valued at \$100,000 or less were relieved from succession duties (at the same time a credit against duty was provided to estates valued over \$500,000 and transmitted to a spouse which effectively cancels the duty liability on the first \$500,000 of value). In British Columbia a basic exemption of \$125,000 was provided for estates transmitted in direct line in addition to the exemptions already provided for homes and certain other assets.

<sup>1</sup> The province of Quebec has a family allowance program which supplements the federal program. The Quebec program provides for allowances which increase from \$30 per annum for a first child to a maximum of \$70 per annum for a sixth and each additional child. The Quebec program covers all children of less than eighteen years of age.

<sup>&</sup>lt;sup>2</sup> The special deduction for a taxpayer aged 65 years and yer was also \$650 under federal tax reform. It was raised to \$1,000 by the federal budget of May 8, 1972.

TABLE 2. Income and Gift Taxes and Succession Duties levied by Provincial Governments

	TABLE 2. Income and Gift Taxes and Succession Duties levied by Provincial Governments							
No.	Category	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec		
	Personal income tax:							
1	Statutory authority	The Income Tax Act; 1961(2nd session), c. 1 and amend- ments.	The Income Tax Act; 1961(2ndsession), c. 1 and amend- ments.	The Income Tax Act; S.N.S. 1967, c. 134 and amendments.	The Income Tax Act; S.N.B. 1961 (2nd session), c. 2 and amendments.			
ż	Basis	Federal personal income tax.	Taxable income of individuals (similar in concept to federal taxable income except to the absence of exemptions for dependenchildren of less than 18 years of age).					
3	Rate	36.0%	36.0%	38.5%	41.5%	10% on first \$2,000 of taxable income  \$ 200 on \$ 2,000 plus 11% on next \$ 1,000 310 '' 3,000 '' 12% '' 2,000 550 '' 5,000 '' 14% '' 2,000 1,150 '' 9,000 '' 16% '' 2,000 1,510 '' 11,000 '' 20% '' '' 3,000 2,110 '' 14,000 '' 22% '' '' 10,000 4,310 '' 24,000 '' 24% '' '' 15,000 7,910 '' 39,000 ' 26% '' '' 21,000 13,370 '' 60,000 '' 28% on excess.  In addition a special tax of 8/10 of 1% is levied on net income under the authority the Health Insurance Act (1970 c. 37 an amendments). This tax is subject to a max mum of \$125 if at least 3/4 of net income is made up of salary and to a maximum of \$26		
1	Comments					in other cases. Proceeds from the tax at used to help finance the provincial medical care program.  No tax is payable when net income does not exceed \$4,000 if married or \$2,000 if single		
	Corporation income tax:				1			
5	Statutory authority	The Income Tax Act; 1961 (2nd session), c. 1 and amend- ments.	The Income Tax Act; 1961 (2nd session), c. 1 and amend- ments.	The Income Tax Act; S.N.S.1967, c. 134 and amendments.	The Income Tax Act; S.N.B. 1961 (2nd session), c.2 and amendments.	The Corporation Tax Act; R.S.Q. 1964, c. 6 and amendments.		
6	Basis	Taxable income of corporations.						
7	Rate	13.0%	10.0%	10.0%	10.0%	12.0%		
8	Comments					A tax of 1/5 of 1% is levied on the paid-u capital of all corporations; places of bus ness are taxable at flat rates ranging fro \$25 to \$50.  Other rates and/or bases of taxation apply! certain classes of corporations i.e., insu ance, loan, navigation, telegraph, telephone railway, natural gas, electricity, gasoline liquor, brewery and various public utilit companies.  Under a separate statute, corporations invessing during the period April 1, 1971 to Marc		
						31, 1974 more than \$150,000 of their profit in designated areas in new technologice processes or in the production of goods now the produced in Quebec can benefit from tacredits ranging from 50% to 100% of the amounts invested.		
9	'Gift taxes:	(Not available attime	The Gift Town Astron	An Act to T	(2)			
9	Statutory authority	(Not available at time of writing.)	The Gift Tax Act; S.P.E.I. 1972, c. 19.	An Act to Provide for Gift Tax: S.N.S. 1972, c. 9.	(Notavailable attime of writing.)	(Not available at time of writing.)		
10	Basis	Aggregate taxable value of gifts made in the year.	Aggregate taxable value of gifts made in the year.	Aggregate taxable value of gifts made in the year.	Aggregate taxable value of gifts made in the year.	Aggregate taxable value of gifts made in the year.		
11	Rates	Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.	Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.	Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.	Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.	Graduated from 15% on gifts up to \$25,000: 50% on gifts exceeding \$200,000.		

TABLE 2. Income and Gift Taxes and Succession Duties levied by Provincial Governments

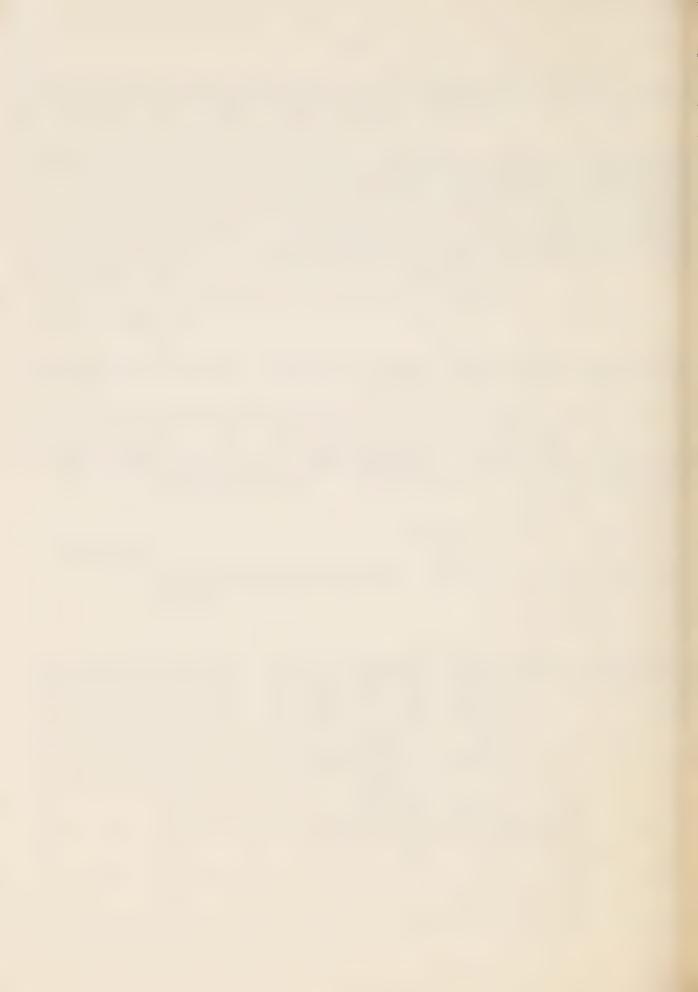
	TABLE 2. Income and GIR 1	axes and Succession Duties	levied by Provincial Govern	nments	
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Ne.
ne Income Tax Act; R.S.O. 1970, c. 217 and amendments.	The Income Tax Act (Manitoba); R.S.M.1970, c.I, 10 and amend- ments.	The Income Tax Act; S.S. 1965, c. 62 and amendments.	The Alberta Income Tax Act; R.S.A. 1970, c. 182. and amendments.	The Income Tax Act; 1962, c. 27 and amendments.	1
ederal personal income tax.	Federal personal income tax.	Federal personal income tax.	Federal personal income tax.	Federal personal income tax.	2
29.585%	42.5%	37.0%	36.0%	30.5%	3
	:				
	!				
	ı				
		i			
e rate applicable for 1972 re- lects a provincial tax cut of 3%.					4
e Corporations Tax Act; R.S.O. 1970, c. 91 and amendments.	The Income Tax Act (Manitoba); R.S.M. 1970, c.I, 10 and amend- ments.	The Income Tax Act; S.S. 1965, c. 62 and amendments.	The Alberta Income Tax Act; R.S.A. 1970 c. 182. and amendments.	The Income Tax Act; 1962, c. 27 and amendments.	5
xable income of corporations.	Taxable income of corporations.	Taxable income of corporations.	Taxable income of corporations.	Taxable income of corporations.	6
12.0%	13.0%	11.0%	11.0%	10.0%	7
ax of 1/10 of 1% is levied on the paid-up capital of all corporations.					8
lerrates and/or bases of taxa- ion apply to certain classes of corporations, i.e., banks, elegraph, pipelines, airlines, nsurance, railway and other ransportation companies.					
ax creditis available equal to % of qualifying investment in nachinery and equipment purhased and used in Ontario luring the period April 26, .971 to March 31, 1973.					
Gift Tax Act; S.O. 1972, :. 12.	The Gift Tax Act; S.M. 1972, c. G55.	The Gift Tax Act; S.S. 1972, c. 48.		Gift Tax Act; S.B.C. 1972, c. 23.	9
regate taxable value of gifts ande in the year.	Aggregate taxable value of gifts made in the year.	Aggregate taxable value of gifts made in the year.		Aggregate taxable value of gifts made in the year.	10
duated from 15% on gifts up \$25,000 to 50% on gifts exeeding \$200,000.	Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.	Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.		Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.	11
			1		

TARLE 2 Income and Giff Taxes and Succession Duties levied by Provincial Governments - Concluded

	TABLE 2. Income and Gift Taxes and Succession Duties levied by Provincial Governments - Concluded						
No.	Category	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	
1	Gift taxes — Concluded: Exemptions	year to a spouse and up to \$2,000 a year to any other donee with an aggregate annual maximum of \$15,000.  Gifts to Canadian	year to a spouse and up to \$2,000 a year to any other done with an aggregate annual maximum of \$15,000.  Gifts to Canadian	year to a spouse and up to \$2,000 a year to any other done with an aggregate annual maximum of \$15,000.  Gifts to Canadian	year to a spouse and up to \$2,000 a year to any other donee with an ag- gregate annual max- imum of \$15,000.	or other farm property to one or more of children.	
1		charitable organizations or to any government in Canada.  Testamentary gifts and gifts taking effect on the death of the donor.	charitable organizations or to any government in Canada.  Testamentary gifts and gifts taking effect on the death of the donor.	charitable organizations or to any government in Canada.  Testamentary gifts and gifts taking effect on the death of the donor.	izations or to any government in Canada.	Gifts to Canadian charitable organization to any government in Canada.  Testamentary gifts and gifts taking effect the death of the donor.	
	Succession duties:	1					
2	Statutory authority	(Not available at time of writing.)	The Succession Duty Act; S.P.E.I. 1972, c. 45.	An Act Respecting Succession duties; S.N.S. 1972, c. 17.	(Not available at time of writing.)	The Succession Duties Act; R.S.Q. 1964 70 and amendments.	
3	Basis	Net value of property passing at death.	Net value of property passing at death.	Net value of property passing at death.	Net value of property passing at death.	Net value of property passing at death.	
4	Rates	Graduated from \$7,000 on the first \$50,000 of aggregate net value plus 18% on the next \$10,000 to 50% on aggregate net value in excess of \$300,000.	Graduated from 10% on the first \$10,000 of aggregate net value to 50% on aggregate net value in excess of \$300,000.	Graduated from 10% on the first \$10,000 of aggregate net value to 50% on aggregate net value in excess of \$300,000.	Graduated from 10% on the first \$10,000 of aggregate net value to 50% on aggregate net value in excess of \$300,000.	On estate: Direct line -1.8% to 15% Collateral line -4% to 20% Strangers -10% to 30% On individual's share in estate: Direct line -1% to 10% Collateral line -1% to 10% Strangers -2% to 5%. A surtax of 25% is applicable to the absuccession duties in 1972.	
5		Estates valued at \$500,000 or less passing to a surviving spouse. All estates valued at \$50,000 or less.	\$500,000 or less	Estates valued at \$500,000 or less passing to a surviving spouse.	\$500,000 or less	Estates valued at \$100,000 or less where tirely transmitted in direct line; where tates are entirely transmitted in direct and their value exceeds \$100,000, succession duties must not lower their value be \$100,000; where parts of estates are the mitted in direct line and where the value any such part exceeds \$100,000, success duties must not lower the values of the pelow \$100,000.	
6	Exemptions	\$10,000 for each child or grandchild plus an additional \$1,000 for each year that he or she is under 26 years of age (for each yearunder 71 years of age in the case of an infirm child or grandchild).  Bequests to Canadian charitable organizations.  Survivor benefits under the Canada and Quebec Pension Plans.	or grandchild plus an additional \$1,000 for each year that he or she is under 26 years of age (for each year under 71 years of age in the case of an infirm child or grandchild).  Bequests to Canadian charitable organizations.	or grandchild plus an additional \$1,000 for each year that he or she is under 26 years of age (for each year under 71 years of age in the case of an infirm child or grandchild).  Bequests to Canadian charitable organizations.	or grandchild plus an additional \$1,000 for each year that he or she is under 26 years of age (for each year under 71 years of age in the case of an infirm child or grandchild).	Amounts derived from contributions towar pension plan and reimbursements of conductions toward such a plan.  Bequests to Canadian charitable organizations of the conductions of the conductions of the conduction	
		Individual bequests of \$1,000 or less.	Individual bequests of \$1,000 or less.	Individual bequests of \$1,000 or less.	Individual bequests of \$1,000 or less.		

TABLE 2. Income and Gift Taxes and Succession Duties levied by Provincial Governments - Concluded

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	No.
limitation as to amount, Gifts up to \$2,000 a year to any other donee with an aggregate annual maximum of \$10,000.  Ats to Canadian charitable organizations or to any govern-	Gifts up to \$5,000 a year to a spouse and upto \$2,000 a year to any other donee with an aggregate annual maximum of \$15,000.  Gifts to Canadian charitable organizations or to any govern-	spouse and up to \$2,000 a year to any other donee with an aggregate annual maximum of \$15,000.  Gifts to Canadian charitable organizations or to any govern-		Gifts up to \$10,000 a year to a spouse.  Gifts to any other donee up to \$2,000 a year with an aggregate annual maximum of \$10,000.  Once-in-a-lifetime exemption of	I
ment in Canada.  *stamentary gifts and gifts taking effect on the death of the donor.	ment in Canada.  Testamentary gifts and gifts taking effect on the death of the donor.			up to \$10,000 in respect of an interest in real property to a child if such property is to be used in farming operations.  Gifts to charitable organizations and to any government in Canada.  Testamentary gifts and gifts taking effect on the death of the donor.	
ne Succession Duty Act; S.O. 1970, c. 449 and amendments.	The Succession Duty Act; S.M. 1972, c. S215	The Succession Duty Act; S.S. 1972, c. 124.		Succession Duty Act; S.B.C. 1960, c. 27 and amendments.	2
et value of property passing at death.	Net value of property passing at death.	Net value of property passing at death.		Net value of property passing at death.	3
lestate: Direct line - 10% to 28% Collateral line - 24% to 34% Strangers - 35% to 70% .individual's share in estate: Direct line - 5% to 30% Collateral line - 6.4% to 26% Strangers - nil.	Graduated from 10% on the first \$10,000 of aggregate net value to 50% on aggregate net value in excess of \$300,000.	Graduated from \$7,000 on the first \$50,000 of aggregate net value plus 18% on the next \$10,000 to 50% on aggregate net value in excess of \$300,000.		On individual's share in estate: Direct line (special beneficiaries)—10% to 36% Collateral line—8% to 38% Strangers—13%% to 40%.	. 4
tates valued at \$500,000 or less passing to a surviving spouse.  I estates valued at \$100,000 or less.		All estates valued at \$50,000 or less.			5
ing spouse is eligible for a luty credit of \$125,000 plus	\$200,000 if estate is transmitted to preferred successors that include a spouse. \$150,000 if estate is transmitted to preferred successors that do not include a spouse.  An additional \$1,000 for each year that an infirm child is under 71 years of age.  Up to \$25,000 for collateral successors to the extent that the \$150,000 preferred successors exemption has not been fully "used up".  Charitable bequests-up to 20% of the aggregate value of property passing at death or 50% of the aggregate ret value of such bequests or any unused portion of the \$150,000 preferred successors exemption.  Bequests to any government in Canada.  Survivor benefits under the Canada and Quebec Pension Plans. Individual bequests of \$1,000 or less.	to preferred successors that include a spouse.  \$150,000 if estate is transmitted to preferred successors that do not include a spouse.  An additional \$1,000 for each year that an infirm child is under 71 years of age.  Up to \$25,000 for collateral successors to the extent that the \$150,000 preferred successors exemption has not been fully "used up".		\$125,000 if estate is transferred to special beneficiaries plus additional exemptions for family home of any value, insurance upto \$25,000, annuity or pension payments up to \$250 a month. (In no event can the exemption for this class be less than \$150,000.)  Upto \$25,000 if property is transmitted to collateral beneficiaries.  Up to \$10,000 if property is transmitted to strangers.	6



# PART II

GENERAL SALES TAXES



### **GENERAL SALES TAXES**

The Federal government imposes a general sales tax on the sale price of goods manufactured in Canada and on the duty-paid value of imported commodities. This tax is payable by the manufacturer at the time of delivery to the purchaser or when the property in the goods passes or by the importer at the time of importation. On most commodities, the rate of tax is 12%; it is 11% on a wide range of building materials. Full exemption is allowed on raw materials, production machinery, processing materials, and a number of designated consumption goods as well as to specified categories of institutional purchasers.

Certain changes were made in federal tax legislation in 1972. Effective May 9, eyeglasses, contact lenses, and research equipment bought by manufacturers to test or develop new products or processes became exempt from the levy. Effective the same date, articles manufactured by persons in institutions for the blind, deaf or mentally retarded were completely relieved of the impost (they had previously been taxable at half the normal rate).

All provinces, except Alberta, impose a retail sales tax on a broad range of consumer goods and services. The rates vary from 5% in Ontario, Manitoba, Saskatchewan and British Columbia, to 7% in Newfoundland and Nova Scotia, and 8% in Prince Edward Island, New Brunswick and Quebec.

The main changes introduced in 1972 in provincial sales taxation were as follows:

- (a) in Nova Scotia, transient accommodation, e.g., hotel and motel room rental became subject to tax effective March 30;
- (b) in Quebec, production machinery and equipment became completely exempt effective April 19;
- (c) in Ontario, the exemption for draught beer was cancelled and the beverage became taxable at 10% effective April 17;
- (d) in Manitoba, an exemption was provided for specialized safety clothing; production machinery and equipment other than farm machinery and equipment ceased to be exempt; the exemption for aircraft normally engaged in foreign or interprovincial trade was cancelled (they became taxable on the basis of mileage of use within Manitoba); the exemption for commercial vessels of more than 200 tons gross was cancelled; the rate of tax on spirits, wines and imported beer was raised from 5% to 10%; all changes became effective May 1 except for the increase in the rate of tax applicable to alcoholic beverages which took effect on June 1;
- (e) in Saskatchewan, an exemption was provided for meals of less than \$2.51 effective April 1.

Details about the general sales taxes of the federal and provincial governments are given in Table 3 in a new format designed to enhance interprovincial comparability.

TABLE 3. General Sales Taxes levied by the Federal and Provincial Governments

No.		Federal	Newfoundland	Prince Edward Island	Nova Scotia
1	Statutory authority	Excise Tax Act; (Part V), R.S. 1970, c. E13 and amendments.	The Social Security Assessment Act; 1963, c. 83 and amendments.	The Revenue Tax Act; 1960, c. 36 and amendments.	Health Services Taract; R.S. 1967, 126 and amen ments.
2	Basis	Manufacturer's selling price or duty—paid value of imports.	Retail price.	Retail price.	Retail price.
3	Rate	12%; special rate of 11% on most building materials.	7%	8%	7%
	Exemptions:				
	Commercial fisheries:				
4	Boats	X	X	X	X
5	Equipment and apparatus	$L^1$	X	X	X
	Educational and religious:				
6	School text books	X	X	X	x
7	Bibles	X		X	x
8	Other books			_	X
9	Newspapers		L <sup>3</sup>	1	x
10	Periodicals, subscriptions			X	x
11	Periodicals, over the counter	X			_
12	Classroom supplies	L <sup>1</sup>	_	X	x
13	Sales to churches	$L^1$	_	1.4	I.4
10					
	Farming:		2	2	2
14	Farm produce				
15	Farm equipment and implements		X	X	X
16	Feed, seed, fertilizer		X	X	X
17	Insecticides		X	X	X
18	Weed killers		_	X	X
19	Fungicides		X	X	X
20	Fruit trees		X	X	X
21	Livestock	X	X	X	X
	Food and drink:				
22	Food	X	X	X	X
23	Candy	_			-
24	Soft drinks	_	_	X	_
25	Meals	N/A	_	L <sup>5</sup>	L <sup>5</sup>
26	Beer	-	_	_	_
	Fuels and electricity:				
27	Firewood	X	X	X	X
28	Coal	X	_	x	X
29	Fuel oil (heating)	X	x	X	X
30	Gas (heating, cooking, etc.)	X	_	x	X
31	Electricity ·	X	_	x	$s^6$
32	Gasoline subject to motive fuel tax	_	s <sup>7</sup>	s <sup>7</sup>	s <sup>7</sup>

See footnote(s) at end of table.

10-71

TABLE 3. General Sales Taxes levied by the Federal and Provincial Governments

52, c. 213 and endments.	Quebec  Retail Sales Tax Act; R.S.Q. 1964, c. 71 and amendments.  Retail price and rent of tangible personal pro-	Ontario  The Retail Sales Tax R.S.O. 1970, c. 415 and amendments.	R.S.M. 1970, c. R150	Saskatchewan  The Education and	British Columbia	No.
52, c. 213 and endments.	Retail price and rent of	R.S.O. 1970, c. 415	R.S.M. 1970, c. R150	The Education and		1
il price.	Retail price and rent of tangible personal pro-		and amendments.	Health Tax Act; S.S. 1965, c. 66 and amendments.	Act; S.B.C. 1960, c. 361 and amendments.	
	perty.	Retail price and rent of tangible personal property.	Retail price.	Retail price and rent of tangible personal property.	Retail price.	2
8%	8%	5%	5%	5%	5%	. 3
X	x	х	x	-	X	4
x	X	X	X	L <sup>2</sup>	X	5
X	X	х	X	X	X	6
Х	X	x	Х	x	X	7
X	X	X	X	-	_	8
X	1	X	X	x	X	9
X	X	X	X	X	x	10
-	X	X	X		X	11
X	X	X	-	_	X	12
L <sup>4</sup>	X	X	_		_	13
2	x	x	x	v	2	
x	x	X	X	X X		14
X	X	X	X	X	X X	15 16
X	x	X	x	X	X	17
X	x	X	X	X	X	18
x	x	X	x	X	X	19
x	x	X	X	X	X	20
x	x	x	x	X	X	21
					41	41
х	X	Х	x	x	X	22
	-	_	_	_		23
-	_	_	X	X	i i	24
L <sup>5</sup>	s <sup>1</sup>	$s^2$	L6	L <sup>7</sup>		25
	s <sup>3</sup>	s <sup>4</sup>	s <sup>5</sup>	-		26
x	V	V				0.00
X	X	X	X	X		27
X	X	X	X	X		28
X	X	X	-	X		29
X	_	х	X	X L <sup>8</sup>		30
s <sup>7</sup>	- s <sup>7</sup>	x s <sup>7</sup>	x s <sup>7</sup>	s <sup>7</sup>		31
3	S	S'	S'	S'	S'	32

TABLE 3. General Sales Taxes levied by the Federal and Provincial Governments - Concluded

No.		Federal	Newfoundland	Prince Edward Island	Nova Scotia
110,					
	Exemptions - Concluded:				
	Health:				
1	Drugs and medicines on prescription	X	X	X	X
2	Other drugs and medicines	Х	-	-	X
3	Orthopaedic appliances, etc	X	X	X	X
	Production machinery and processing materials:			;	
4	Physical ingredients	X	x	X	X
5	Industrial machinery	X	L9	X	X
6	Processing materials	х	L <sup>10</sup>	X	X
7	Purchases by municipalities	$L^1$	_	L <sup>1</sup>	x
	Transportation equipment:				
8	Railway rolling stock	$L^{14}$	X	X	X
9	Other railway supplies	-	3	-	
10	Commercial vessels	$L^{17}$	L <sup>18</sup>	L <sup>19</sup>	L <sup>19</sup>
11	Commercial aircrafts	$L^{19}$	_	L <sup>15</sup>	L <sup>15</sup>
	Miscellaneous:			1	
12	Sales to federal government	_	X	X	X
13	Sales to provinces	Х		nation .	X
14	Sales for exportation or out of province delivery	X	X	X	X
15	Children's clothing	_	X	X	X
16	Building materials	s <sup>8</sup>	_	-	-
	Services subject to tax;				
17	Hotel and motel room rental	N/A	TS	TS	TS
18	Telephone services	N/A	TS	TS	
19	Long distance telephone calls	N/A	TS		s <sup>6</sup>
20	Other telecommunications	N/A	TS		
21	Repairs	N/A	TS	TS	
22	Laundry and dry-cleaning	N/A	TS	TS	
23	Printing, photography, microfilming, etc.	TS			

### Legend:

- X: Unqualified exemption. L: Limited exemption. S: Subject to special rate or taxed under a separate statute.
- -: not exempt.
  TS: taxable service.

### Specific references:

- L1: Exemption limited to certain designated goods.
  L3: Exemption limited to fishing nets, which are unconditionally exempt.
  L4: Exempt when published within the province.
  L4: Exempt when published within the province.
  L5: Exempt under \$1.01.
  L6: Exempt under \$2.01.
  L7: Exempt under \$2.01.
  L8: Exempt under \$2.51.
  L8: Exempt under \$2.51.
  L8: Exempt under some used for heating.
  19: Specific exemptions to railways, mines, shipyards and pulp and paper companies, for installation and expansion of plant and equipment.
  L11: All purchases of manufacturers partially exempt to the extent that their sales are made for out-of-province delivery.
  L12: Exemption limited to catalysts or direct agents.
  L13: Exemption limited to a rebate on purchases entering into capital investment and to certain equipment for roads and fire fighting.
  L13: Exemption limited to insecticides, fugicides and herbicides for roadways or road allowances and to electricity for street lighting, fire protection street railway operation, sewage disposal, pumping and manufacturing.

TABLE 3. General Sales Taxes levied by the Federal and Provincial Governments - Concluded

or deficial sales levied by the Federal and Provincial Governments - Concluded								
New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	British Columbia	No.		
x	x	x	X	x	x	1		
-	-	_	X	x	_	2		
X	X	x	X	X	x	3		
x	X	x	x					
х	X	_		x -	X	4		
$L^{11}$	L10	X	x	x		5		
					1	6		
-	_	L <sup>12</sup>	-	L <sup>13</sup>	_	7		
						1		
x	_	x	x	x	$L^{15}$			
week	_	_	0.00	L16		8		
L <sup>19</sup>	x	L <sup>20</sup>	_	mark .	L <sup>20</sup>	10		
L <sup>15</sup>	L <sup>21</sup>	L <sup>15</sup>	L <sup>21</sup>		L <sup>21</sup>	11		
x	x	x	v					
en.	X	_	X -	X	Х	12		
х	X	X	x	_ x	_	13		
X	X	X	x	_	X X	14		
х	_	_	Madien	_	43. 	16		
TS	s <sup>6</sup>	ma.				; 1		
TS	is .	TS TS	TS L <sup>22</sup>	TS	$\mathbb{S}^6$	17		
TS	s <sup>6</sup>	TS	$^{\mathrm{L}^{22}}$	TS	TS	18		
TS	s <sup>6</sup>	TS	TS	TS TS	TS	19		
			TS	18		20		
TS			TS			22		
			TS			23		

### Specific references - Concluded:

- cific references Concluded:

  L14

  Exempt when used exclusively for international trade.

  L15

  Exempt when used for interprovincial or foreign trade.

  L17

  Exempt when used for interprovincial or foreign trade.

  L17

  Exempt when licensed to engage in the Canadian coasting trade.

  L18

  Exempt over 300 tons.

  Exempt over 500 tons gross.

  L20

  Exempt over 500 tons gross.

  L21

  Exempt under 46¢.

  S Meals are not subject to the general retail sales tax in Quebec, but to a separate tax imposed under the Meals and Hotels Tax Act at the same rate as the general retail sales tax.

  S Special rate of 10% on meals over \$2.50; meals \$2.50 and under are exempt.

  S Halbeer is subject to a special tax in lieu of sales tax.

  S Hotele beer is subject to sales tax at the rate of 5% and draught beer is subject to a special rate of 10%.

  S Haved under a separate statute See Table 5 "Miscellaneous Provincial Taxes".

  S Hotive fuels are taxed separately in all provinces See Table 5 "Miscellaneous Provincial Taxes".

  S Special rate of 11% on most building materials.

- <sup>1</sup> In practice, newspapers are not taxed because they sell for prices less than the amount of the small sale exemption.
  <sup>2</sup> In practice, almost all such sales consist of foods and other goods specifically exempt.
  <sup>3</sup> Tax not paid by Canadian National Railways.



# PART III

OTHER IMPORTANT TAXES LEVIED
BY THE FEDERAL AND
PROVINCIAL GOVERNMENTS



# OTHER IMPORTANT TAXES LEVIED BY THE FEDERAL AND PROVINCIAL GOVERNMENTS

The federal government imposes customs duties on most imported commodities under the authority of the Customs tariff; R.S.C. 1970, c. 41 and amendments. The rates are mainly ad valorem although a few are of the specific amount variety. There are three categories of rates: (a) British preferential, which are the lowest (b) most-favoured-nations, which are established under special agreements with various countries and (c) general, which apply to imports from all other countries. The tariff schedules are too lengthy and complex to be summarized in this publication. The rates pertaining to particular items may be obtained upon request from the Customs and Excise Branch of the Department of National Revenue.

The federal government, under the provisions of the Excise Act, also levies excise duties on alcoholic beverages (other than wines) and tobacco products. In addition, it imposes, under the authority of the Excise Tax Act, special excise taxes on a number of specific goods, including tobacco products and wines, as well as a special tax on certain insurance premiums. Details pertaining to these duties and taxes are provided in Table 4.

Provincial governments resort extensively to the taxation of admissions to places of amusement, motive and other fuels, motor vehicle registrations and driving permits, insurance premiums, mining operations, race track betting, and tobacco products. Five provinces and the Yukon levy premiums and one province imposes a payroll tax to help finance their hospitalization and medical care programs. Individual provinces impose special taxes on alcoholic beverages, land and security transfers, meals and lodging, telecommunications and logging operations; in other provinces, some of these items are subjected instead to general sales taxation. Details pertaining to these levies are provided in Table 5.

All provincial governments derive substantial amounts of revenue through the sale of alcoholic beverages by provincial agencies operating as boards or commissions which exercise monopolistic control over the distribution of these products. The mark-ups of these liquor boards and agencies effectively constitute a kind of taxation. The mark-ups are not publicized and thus are not reported in this publication.¹ In certain provinces beer and/or wine may be sold by private retailers as well as by liquor board or commission outlets. In all instances, however, the sale of similar products contributes equally to provincial revenue.

A number of changes were made in the abovementioned areas of provincial taxation in 1972. Newfoundland doubled the rates of its levy on tobacco products effective June 1. Nova Scotia raised its mark-ups on alcoholic beverages effective March 30. Quebec repealed its security transfer tax effective April 19. Ontario increased the rates of its tax on gasoline and diesel fuel and various rates of its levy on tobacco products effective March 29; it raised its fees for motor vehicle registrations effective December 1, for passenger vehicles and March 1, 1973 for commercial vehicles as well as its charges for certain licences and permits including drivers' licences; it abolished its fire marshal's tax and increased the rate of its impost on insurance premiums effective January 1; it repealed its logging tax effective March 31 and combined its premiums for hospitalization and medicare effective April 1; it also raised its mark-ups on alcoholic beverages effective April 17. The Yukon imposed a fire prevention tax effective April 25 and began collecting health care premiums on April 1.

<sup>&</sup>lt;sup>1</sup> For information on the revenue obtained by the provinces from the sale of alcoholic beverages, refer to *The Control and Sale of Alcoholic Beverages in Canada* (Catalogue 63-202).



TABLE 4. Excise Duties and Excise Taxes levied by the Federal Government

Category	Statutory	Item and basis	Rate		Exemptions, deductions, tax credits, etc.	
xcise	Excise Act;	Tobacce <sup>1</sup> — on domestic production:			These duties on alcoholic beverages and tobacco pr	
duties	R.S. 1970, c. E12 and amend-	Manufactured tobacco excluding ciga- rettes	per pound	35¢	ducts are not levied on imports but the custom tariff rates applicable thereon are set to take account	
	ments	Cigarettes weighing not more than 3 lbs.	per 1,000	\$4.00	of the duties levied on domestic production.	
		Cigarettes weighing more than 3 lbs. per 1,000	44	\$5.00		
		Cigars	**	\$2.00		
		Canadian raw leaf tobacco when sold for consumption	per pound	10¢		
		Alcoholic products:			These duties do not apply to denatured alcohol for us	
		Domestic potable spirits on the strength of proof distilled in Canada	per proof gal.	\$14.25	in the arts and industries, nor for fuel, light or power for any mechanical purpose, nor do they apply spirits used in the manufacture of vinegar, to certa:	
		Non-potable spirits used in the manu- facture of:			spirits used to treat domestic wine, and to spirit used in the manufacture of toilet preparations	
		Medicines, extracts, pharmaceutical preparations, etc.		\$1.50	cosmestics subject to special excise tax. The Customs Tariff applies equivalent duties on imports.	
		Approved chemical compositions	**	15¢		
		Spirits sold to druggists and used in preparation of prescriptions		\$1.50		
		Imported spirits taken into bonded manu- factory, in addition to other duties	6 8	30¢		
		Canadian brandy		\$12.25		
		Beer	per gallon	42¢		
cise taxes	Excise Tax Act; (Part	Insurance companies:			Excluding insurance against marine risks, nuclea	
	I), R.S. 1970,c. E13 and amend- ments.	British or foreign companies not authorized to transact business in Canada, or non-resident agents of authorized British or foreign companies.	net premium	10%	risks and life, personal accident or sickness insurance.	
	Excise Tax	Jewellery, clocks, watches	ad valorem²	10%	The Budget Speech of June 18, 1971, announced th	
	Act; (Parts IV and V), R.S. 1970, c E13 and amend-	Toilet articles and cosmetics	14	10%	repeal of the special excise tax on radios, phone graphs, record players, television sets, electro tubes and cathode ray tubes for T.V. sets effective	
		Playing cards	per pack	20¢	June 19, 1971.	
	ments.	Coin-operated amusement devices	ad valorem	10%		
			ad valorem	10/0		
		Tobacco and smoker's accessories: Cigarettes	per 5	3¢		
		Cigars Matches	ad valorem	17½% 10%		
		Lighters Cigarette holders, pipes, etc. Tobacco—manufactured	per unit ad valorem per pound	10¢ 10% 90¢		
		Wines: Wines of all kinds containing 7% or less	per gallon	25¢	Excluding imports. Customs duties on imports are se to take into account the taxes levied on domesti production of wines.	
		of absolute alcohol by volume  Non-sparkling wines containing more than 7% of absolute alcohol by volume	46	50¢		
		but not over 40% of proof spirits  Champagne and sparkling wines	64	\$2,50		
		Additional levy on wines:	nor collen	2 <sup>1</sup> / <sub>2</sub> ¢	This levy applies equally to domestic and imported wines.	
		Wines of all kinds containing 7% or less of absolute alchohol by volume	per gallon		wines.	
		All other wines	4.4	5¢		

Bringing together the taxes imposed on tobacco products under the Excise Tax Act and the duties imposed under the Excise Act, the total taxes on the

<sup>1</sup> Bringing together the taxes imposed on tobacco products under the Excise Tax Act and the dates imposed are:

Cigarettes -\$10.00 per thousand (or 20¢ per pack of 20 cigarettes) plus the 12% sales tax on the manufacturer's sale price including excise duty.

Manufactured tobacco -\$1.25 per pound plus the 12% sales tax on the manufacturer's sale price including excise duty.

Cigars -\$2.00 per thousand plus the 17½% excise tax and the 12% sales tax on the manufacturer's sale price including excise duty.

An "ad valorem" tax is levied as a percentage of the value of the goods, which, for tax purposes, includes customs duties in respect of imported goods dexcise duties in the case of tobacco and alcoholic products manufactured in Canada. Where an article is subject to the general sales tax and to the cise tax, both taxes apply separately to the same value.

Table 5. Miscellaneous Provincial Taxes

Table 5. Miscellaneous Provincial Taxes								
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec		
1	Amusement taxes Statutory authority	-	The Entertainments Act, 1971, c. 13 and amendment.	Theatres and Amusements Act; S.N.S. 1967, c. 304 and regulations.	Theatres, Cinematographs and Amusements Act; S.N.B. 1952, c. 228 and amend- ments.	_		
3	Basis	- -	Admission price  From:  31¢ - 40¢ 2c 41¢ - 45¢ 3¢ 46¢ - 60¢ 5¢ 61¢ - 75¢ 7c 76¢ - \$1.00 10c over \$1.00 5c extra for each additional 50¢ or fraction thereof.	Admission price From:	Admission price  Theatre rates:  Up to 25¢	-		
4	Exemptions and comments		Church, school and municipal functions and tickets costing up to 30¢ are exempt.	_	over \$1.00 11% Other amusements rates: Up to 25¢ 2¢ from 26¢ to 50¢ 5¢ from 51¢ to \$1.00 10¢ and 5¢ for each additional 50¢ or fraction thereof in excess of \$1.00.  Exemptions: Certain functions such as school enter- tainment, agricultural fairs, etc.	-		
5	Motive and other fuel taxes Statutory authority	The Gasoline Tax Act; 1962, c. 55 and amendments.  The Fuel Oil Tax Act; 1962, c. 76.	The Gasoline Tax Act; 1971, c. 15 and amendments.	Gasoline and Diesel Oil Tax Act; S.N.S. 1967, c. 116 and amend- ments.	Gasoline and Motive Fuel Tax Act; 1965, c. 3 and amendments.	Gasoline Tax Act; R.S.Q. 1964, c. 74 and amend- ments.		
6	Basis		Per gallon Gasoline —21¢ Diesel fuel —25¢	Per gallon Gasoline —21¢ Diesel fuel —27¢	Per gallon Gasoline -20¢ Motor fuel -23¢ Aircraft fuel - 3¢	Per gallon Gasoline -19¢ Diesel fuel-25¢ Aviation - 3¢		
8	Exemptions and comments	Exemptions include gasoline used by government departments, municipalities, members of the Diplomatic Corps and aircraft in all motorized equipment (except trucks and automobiles) used for agricultural purposes; in tractors, powersaws, and saw-mills used for logging purposes; in fish processing plants, certain manufacturing plants, vessels and boats used in trade, plants to generate electricity and household appliances; as a household appliances; as a household appliances; as a household fuel; for the exploration and development of minerals up to the point of production and for export from the province.  Exemptions include fuel oil used by vessels except pleasure boats, tugs, dredges and scows, also fuel oil used for domestic purposes or in institutions, commercial buildings and manufacturing plants, and for export from the province.	Aviation fuel and the fuel used in offshore fishing fleet exempted. Holders of valid permits issued by provincial treasurer may purchase marked gasoline and/or diesel fuel tax free.  Rate on diesel fuel is effective April19,1972.	The use of marked gasoline is restricted to industry.	Fuel used by fishermen and farmers is exempt as is fuel used other than in motor vehicles on public highways (except in repair and construction of bridges and roads). Marked gasoline may be used by farm trucks that are unlicenced and used exclusively off the highway.  Refund on aircraft fuel used by a flying club in its student training program, effective April 5, 1972.	Full tax refunds are allowed on gasoline used in the operation of farm tractors, and fishing boats used in trade. Refunds of part of the tax are allowed on gasoline used in stationary engines (except gasoline used by farmers and fishermen), pumps to fight forest fires, aerial navigation and as an ingredient of manufactured products.		

TABLE 5. Miscellaneous Provincial Taxes

TABLE 5. Miscellaneous Provincial Taxes							
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
1 1 1	The Amusements Act; S.M. 1970, c. A70 and amendments.  Admission price Over \$1.00	-	See: Race track tax section on page 39.	- -	-		3
-	Admissions priced at \$1.00 or less are exempt, effective May 1, 1972.	-	-	~-		-	4
%asoline Tax Act; s.O. 1970, c. 190 d amendments. Motor Vehicle el Tax Act; s.O. 1970, c. 282 d amendments.	The Gasoline Tax Act; R.S.M. 1970, c. G40 and amendments.  The Motive Fuel Tax Act; R.S.M. 1970, c. M220 and amend- ments.	The Fuel Petro- leum Products Act; S.S. 1965, c. 67 and a- mendments.	Act: R.S.A. 1970	Gasoline Tax Act, 1948; S.B.C. 1960, c. 162 and amendments, Coloured Gasoline Tax Act; S.B.C. 1960, c. 63 and amendments. Motive Fuel Use Tax Act; S.B.C. 1960, c. 251 and amendments. Fuel Oil Tax Act; S.B.C. 1960, c. 158 and amendments.	Fuel Oil Tax Ordin- ance; 1968 (4th ses- sion), c.2 and amend- ments.	Petroleum Products Tax Ordinance; R.O. 1956, c. 40 and amendments.	5
allon fline — 19¢ →1 fuel — 25¢ fion — 3¢	Per gallon  Clear gasoline — 17¢ Aircraft gasoline— 2¢ Motive fuel — 20¢ Special rates: Bunker — 1/3¢ Propane — 1¢ if used for commercial heating, and 17¢ if used for carburet- tion	Per gallon Gasoline -19¢ Diesel fuel -21¢ Other fuels - 4¢	Diesel fuel - 17¢ Aviation - 3¢	Per gallon  Gasoline (clear) -15¢  Aircraft gasoline - 3¢  Coloured gasoline - 3¢  Motive fuel -17¢  Fuel oil -½¢	Per gallon Fuel oil —14¢ Aviation fuel— 2¢	Per gallon Gasoline fuel - 14¢ Diesel fuel - 15¢ Fuel oil - 3¢ Aviation fuel - 2½¢ Propane and butane - 2¼¢	6 7
tax refund is swed on gasoline of exclusively in fining or commercial fishing.  If from tax at 13¢ i gallon is allowed gasoline used er than in motor wicles or equipolate to the fining on the switch and in the fining on the fining of the fi	Coloured— 1¢  "Motive fuel" means any fuel not taxed under the Gasoline Tax Act.  Exemptions are allowed on purple fuel used in operating agricultural machinery, farm trucks and municipal fire apparatus; and in trapping, fishing and prospecting.  Total exemption on purple fuel for operation of municipal fire apparatus and lighting plants, hospital and agricultural machinery and domestic heating purposes. Partial or full refunds on other items as set out in the Act.	Purple gasoline and purple diesel fuel are exempt from tax when used on farms for agricultural purposes, but are subject to tax at 4¢ per gallon when used for any other purpose. Aviation fuels are subject to tax at 4¢ per gallon. Heating fuels and fuels not designed for use in any type of internal combustion engine are exempt from tax.	Exemptions of 12¢ for gaso- ilne and 14¢ for diesel fuel per gallon are al- lowed for in- dustrial pur- poses, and for aircraft opera- tions.  Purple coloured fuels used in farming opera- tions are ex- empt.	Refund of 12¢ per gallon allowed for operation of logging trucks off highways, motor vehicle power units for industrial purposes while vehicle is stationary, and motor vehicles of amputees, paraplegics, and certain classes of war veterans. Motor vehicles entering the Province subject to tax on imports in supply tanks exceeding forty gallons.  Coloured gasoline may only be used in ships, boats and other water vehicles, stationary and portable engines and tractors for off highway use; logging trucks used exclusively off highways; railway locomotives, railway cars and for non-motor vehicle industrial purpose. Refund of 2¢ per gallon is provided to farmers and commercial fishermen, for a net tax of 1¢ per gallon on coloured gasoline used in farming operations or in the commercial fishermen, for a net tax of 1¢ per gallon on coloured gasoline used in farming operations or in the commercial fisheries.  Operators of commercial motor vehicles using motive fuel are required to pay tax on gallonage used on public highways within the Province. Motive fuel includes diesel fuel propane, butane. Motive fuel used in farm tractors is, with certain limitations, exempt (subject to Colured Gasoline Tax Act).  Puel oil includes any liquid fuel, other than gasoline, used for burning to create a flame for heating, cooking or raising steam.	Fuel oil includes all liquid products obtained by distillation or condensation of absorption of any other process from petroleum, natural gas, casing head, or natural gasoline, benzol, benzene, naptha, coal, coal tar, oil shales, kerosene, gas, oil and any combination of any such products.  No tax is payable in respect of fuel oil that is used or to be used in stationary generators of electricity, for heating, for lubricating, for laying or sprinkling on roads or streets, as cleaning fluids or solvents, in the operation of farm tractors for farming purposes, by the Government of Canada, a municipality as defined in the Municipal Ordinance, and by a visiting force as defined in the Visiting Forces (North Atlantic Treaty) Act.	No tax is payable in respect of fuel oil used or to be used for lubricating purposes; for laying or sprinkling on roads or streets; or as cleaning fluids or solvents.  No tax is payable in respect of fuel used or to be used by a hospital or a municipality.	8

TABLE 5. Miscellaneous Provincial Taxes - Continued

		TABLE	5. Miscellaneous Pro	vincial Taxes - Continu	ieu i	
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
1	Motor vehicle registra- tions and driving permits Statutory authority	The Highway Traffic Act; 1962, c. 82 and amend- ments	The Highway Traffic Act; 1964, C. 14 and amend- ments.	Motor Vehicle Act; S.N.S. 1967, c.191 amendments and regulations.	The Motor Vehicle Act; 1955, c.13 and amend- ments.	Highway Code; R.S.Q.1 c. 231 and amendme
2	Basis	(a) flat rate per vehicle	(a) weight of the vehicle	(a) per 100 lb. vehicle weight	(a) per pound of weight of motor vehicle	(a) per pound of vehic weight
		(b) operator	(b) operator (c) chauffeur	(b) operator (c) chauffeur	(b) operator (c) chauffeur	(b) operator (c) chauffeur
3	Rate	(a) \$18.00 to \$24.00	(a) Not more than 2,049 lb. — \$20.00 Over 2,049 lb. up to and including \$1.00 per 4,949 lb. — 100 lb. 4,950 lb. and over — \$50.00	(a)\$1.00 per 100 lb. of vehicle weight. Mini- mum licence fee is \$15.00.	(a) 1¢ perpound of weight of motor vehicle; min-inum fee of \$20.00 per vehicle plus a fee of \$4.00 for licence plates.	(a) 1¢ per pound (m) imum \$20,00)
	1	(b) Operator's licence —	(b) Operator's licence - \$4.00 (c) Chauffeur's licence - \$7.00	(b) Operator's licence - \$6.00 (3 years) (c) Cnauffeur's licence - \$5.00 (1 year)	(b) Operator's licence — \$4.00 (c) Chauffeur's licence — \$4.00	(b) Operator's licences \$6.00 (c) Chauffeur's licences \$6.00
4	Comments	(a) Reduced rates apply later in the year.  Operator's licence has a three year term. Expiry date is on licensee's birthday.	(a) Reduced rates apply later in the year.  Operator's and chauffeur's licences have a two year term. Expiry date is on the last day of licensee's month of birth.	Licences expire Dec. 31 (may be extended to March 31).	(a) Reduced rates apply later in the year which expires Dec. 31.  Operator's and chauffeur's licences have a two year term.	1 year — \$3.00
	Insurance premium taxes					
	(a) On insurance compa-					
5	nies: Statutory authority	The Insurance Companies Tax Act; 1957, c. 76 and amendments.	The Premium Tax Act; 1957, c. 27 and amend- ments.	Insurance Premiums Tax Act; S.N.S. 1967, c. 149.	Premium Tax Act; 1957, c. 14.	Corporation Tax Act; F 1964, c. 67 and al ments.
6	Basis	Premium income	Premium income	Premium income	Premium income	Premium income
7	Rate	2%	2%	2%	2%	2%
S	Comments	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	-
Ģ	(b) Fire insurance; Statutory authority	The Insurance Premiums Tax Act; 1968, c. 59.	The Fire Prevention Act; S.P.E.I. 1951, c. 59 and amendments.	Fire Prevention Act; S.N.S. 1967, c. 107 and amend- ments.	Fire Prevention Act; S.N.B. 1952, c. 86 and amendments.	Corporation Tax Act;1 1964, c. 67 and a ments.
10	Basis	. Premiums charged	Gross premiums	Premium income	Premium income	Premium income
1.1	Rate	.   7%	% of 1%	½ of 1%	1%	2%
	Comments	This tax is paid by the policy holder. It is levied on all insurance premiums other than life, accident, sickness, and marine premiums.	-	Rates as determined by the Lieutenant Governor in Council.	-	-

	TABLE 5. Miscellaneous Provincial Taxes - Continued						
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
I Highway Traffic ct; R.S.O. 1970, c. 02 and amendments.	The Highway Traffic Act; R.S.M. 1970, c	The Vehicles Act; S.S. 1965, c. 377 and amendments.	The Highway Trattic Act; R.S.A. 1970, c. 169 and amend-	Motor-vehicle Act; S.B.C. 1960, c. 253 and amendments.	Motor Vehicle Ordin nance; R.O. 1958, c. 77 and amend-	Vehicles Ordinat. (1.16.) (2nd. Sess.), c. 9 and	i i
number of cylinders	(a) length of wheel base	(a) length of wheel base	ments.	(a) net weight of ve- hicle	ments.  (a) length of wheel base	(a) flat rate for passenger vehicles and light trucks	2
toperator cohauffeur	(b) driver (c) chauffeur	(b) operator (c) chauffeur	(b) operator	(b) operator (c) chauffeur	(b) operator	(b) operator (c) chauffeur	1
- \$20 cylinders - \$27.50 cylinders - \$35.00 Ise fees are to be used to \$23, \$32 nd\$40 respectively fective December, 1972 for passener vehicles and ffective March 1, 973 for commercial chicles.	(a) \$11.25 for wheel base not exceeding 100" in length; for each additional 5 inches or portion thereof - \$3.25 Additional charge of 50¢ on all registrations for the Unsatisfied Judgement Fund	(a) \$15 for wheel base not exceeding 110" \$21 for wheel base of 111" to 120" \$27 for wheel base exceeding 120" These fees are to be raised by \$1.00 for the 1972 - 73 registration year.	(a) \$15 for wheel base not exceeding 110" \$20 for wheel base of 120" \$25 for wheel base of over 120"	2,001 lb, to 3,000 -	(a) \$15.00 for wheel base 100" or less \$20.00 for wheel base 101" to 120" \$25.00 for wheel base 121" and over (Reducedrates apply later in the year).	(a) \$15.00 for private vehicles operated on the Mackenzie Highway, \$5.00 for private yeard elsewhere in the Territories, Commercial \$6.50 per 1.000 lb, gross Vehicle Weight. Public Service \$8 per 1.000 lb, gross Vehicle Weight on Mackenzie Highway System; both \$1 per 1.000 lb, elsewhere in the Territories.	
1, 1972)	(b) Operator's licence - \$3.00 (c) Chauffeur's licence - \$4.00	(b) Operator's licence - \$3.00 (c) Chauffeur's licence - \$3.00	(b) Operator's licence — \$5.00	(b) Operator's li- cence - \$5.00 (c) Chauffeur's li- cence - \$3.00	(b) Operator's li- cence — \$3.00	(b) Operator's licence - \$2.00 (c) Chauffeur's licence - \$3.00	
	(a) Reduced rates apply later in the year which expires February 28.  Operator's and chauffeur's licences issued for one year on birth date.	Operator's and chauffeur's licences have a one year term. Expiry date is April 30. See "Miscellaneous taxes" for motor vehicle insurance, p. 43.	Operator's licence has a five year term; expiry date is March 31.	(a) Rates are reduced one-twelfth each month to a minimum fee of \$2.00.  Operator's licence has a five year term; chauffeur's licence has a one year term.	Operator's licence for a one year term. Expiry date is March 31.	(a) Rates are reduced to 40% after October 31.  Both operator's and chauffeur's licences have one year terms.	4
Insurance Act; S.O. 1970, c. 224 nendments.	The Insurance Corporations Tax Act; R.S.M. 1970, c. 150 and amendments.  Premium income	The Insurance Premiums Tax Act; S.S. 1965, c. 63 and amendments.  Premium income	The Insurance Corporations Tax Act; R.S.A. 1970, c. 188 and amendments.	Insurance Premiums Tax Act; S.B.C. 1960, c. 198 and amendments. Premium income	-	-	5
	2%	2%	2%	2%	- PARCE	w-m	7
on insurance cover- g property fire, in- nd transport, live- uck, plate glass, winkler leakage, eft and weather. On other types of surance.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts "See "'Miscellaneous taxes" for motor vehicle insurance, page 43.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	-	-	8
	_	The Fire Prevention Act; S.S. 1965, c. 365 and amendment.	The Fire Prevention Act; R.S.A. 1970, c.144 and amend-ments.	S.B.C.1960, c. 148 and amendment.	Fire Prevention Ordinance; R.O. 1962 (5th), c. 3 and amendments.	-	9
T White		Premium income	Premium income	Premium income	Premium income		11
-	-	-		Rate determined by Lieutenant Gover- nor in Council.	Effective April 25,	-	1 :

TABLE 5. Miscellaneous Provincial Taxes - Continued

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
1	Mining taxes Statutory authority	The Mining Tax Act; S.N. 1952, c.43 and amendments.		Gypsum Mining Income Tax Act; S.N.S. 1967, c. 122.		Mining Duties Act; 1965 c. 35.
2	Basis	Net income of mining corporations	_	(a) Net mining income or (b) Per ton of mineral mined	Net income of mining corporations.	Net profit of mining copporations
3	Rate	Iron — 20% Others — 5%	_	(a) 33½% of net income as set out in the Act. (b) 6¢ per ton; mining operation calculated at a fixed rate of 18¢ per ton, of which 33½% is taxed.	8% on all net income up to \$750,000; 11% on next \$2,250,000 net income; and 12% on all net income exceeding \$3,000,000.	9% on net profit ( \$50,000 to \$1,000,001 11% on net profit ( \$1,000,001 to \$2,000,000; 13% onet profit ( \$2,000,001 to \$2,000,001; 15% onet profit over \$4,000,000; 15% onet profit over \$4,000,000.
4	Comments	_			_	Net profit up to \$50,00 is exempt.
5	Race track taxes Statutory authority	The Horse Racing (Regulations and Tax) Act; 1963, c. 65 and amendments.	The Entertainments Act; 1971, c. 13 and a- mendments.	Theatres and Amusements Act; S.N.S. 1967, c. 304 and regulations.	Theatres, Cinematographs, and Amusements Act; S.N.B. 1952, c. 228 and amendments.	Licences Act; R.S.Q 1964, c. 79 and a mendments.
6	Basis	Amount of bets placed under the pari mutuel system.	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting poo
7	Rate	11%	114%	11%	11% of wagers	7% of ticket evidencing the choice of a single winning horse; 9% or other tickets.
8	Comments	-	Thetrack operators are allowed 5½% as a special concession.	If tax is remitted within 7 days, the Race Association may deduct a commission of 7% and 8% depending on certain variables in amounts and dates.	If tax is remitted within 7 days, the Race Association may deduct from 6½% to 8% of the amounts wagered as commission.	In addition to the duty on wagers, there is a duty on the entance fee at the rate of 10% at races with "par mutuel" betting, and 5¢ per person at othe races.

TABLE 5. Miscellaneous Provincial Taxes - Continued

	hwest tories No.
1970, c. M180 and 1970, c. M18	1
profit on the min- ing of ore.  (a) Net profit of mining corporations.  (a) a flat rate per acre for freehold minerals owned by corporations;  (b) Corporate holdings (b) Assessed value of (b) a flat rate per acre for freehold minerals and (c) minerals and (d) assessed value of (e) a flat rate per acre for freehold minerals and (e) assessed value of minerals and (e	_   2
of mineral rights of 40 acres or more.  (b) a flat rate per acre of land.  (c) "Product ton" of potash.	
(a) 10% if income under \$50,000; 15% of income \$50,000 or more. (b) 10¢ per acre. (c) 60¢  (a) 20¢; the tax is not applicable to an owner who is an individual. (b) 8 mills (c) 60¢  Rates vary with respect to different classes of minerals in (designated) producing areas. Tariff of fees not to exceed 5¢ per acre (minimum 25¢).	3
licable to the total coff of the mine in the tax for the first three years of operations is 50% of the above-noted rates. The first three years exemption disappears as at December 31, 1972.  Also, the Mineral Taxation Act imposes a rate of 8 mills on the assessed value of minerals is based on value of production for the year previous. Acreage tax applies only to corporations holding land in Saskatche-wan. Producing tract tax applies to all freehold minerals.  Acreage tax raised from 10¢ to 20¢ in 1972. Potash tax effective from June 1, 1972.	4
Race Tracks Tax t; R.S.O. 1970, c. A70 and amendments.  The Amusements Act; The Horse Racing Regulations Act; S.S. 1965, c. 384 and amendments.  The Amusements Act; R.S.A. 1970, c. 18 Tax Act; S.B.C. 1960, c. 274.	_ 5
mutuel betting pool  Pari mutuel betting pool	- 6
7%   10%   10%   5%   8%   -   -   -	-   7
1% of this rate is earmarked to increase the purses of B.C. bred, born and raised horses.	

TABLE 5. Miscellaneous Provincial Taxes - Continued

TABLE 5. Miscellaneous Provincial Taxes - Continued							
	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec		
Tobacco Taxes Statutory authority	The Tobacco Tax Act; 1964, c. 81 and amendments.	The Health Tax Act; S.P.E.I. 1951, c. 71 and amendments.	Health Services Tax Act; S.N.S. 1967, c. 126 and amendments.	Tobacco Tax Act; S.N.B. 1952, c. 231 and amendments.	'Tobacco Tax Act; R.S 1964, c. 72 and amendments.		
Basis	By cigarette; by retail price of cigars; other tobacco products by weight.	By cigarette; by retail price of cigars and other tobacco products.	By cigarette; by retail purchase price of cigars and other tobacco products.	By cigarette; by retail price of cigars and other tobacco prod- ucts.	By cigarette; by ret price of cigars a other manufactur tobacco.		
Rate	16¢ to 25¢ - 8¢ " 26¢ " 35¢ - 12¢ " 36¢ " 45¢ - 16¢ " 46¢ up - 20¢ " Other tobacco products	each  Cigars from: $4\phi$ to $9\phi - 1\phi$ each $10\phi$ to $15\phi - 2\phi$ each $16\phi$ up $-1\phi$ additional tax for each additional $5\phi$ of retail price.	Cigarettes — 4/10 of 1¢ each Other tobacco products — 10% of retail price.	each Cigars — 1¢ for each 5¢ or part thereof Other tobacco products—	each Cigars from: 5¢ to 10¢ - 1¢ each 10¢ up - 20%		
	There are certain exemptions on tobacco purchases by bona fide tourists and for other categories such as ships stores. There is no tax on a plug of tobacco.  Rates are effective June 1, 1972.	_	Taxes levied under this Act are used in pro- viding health services (hospital benefits, medical care, etc.) for residents of pro- vince.	-	No tax is levied on le tobacco or on cig sold at 5¢ each, less.		
Hospitalization and medical care premiums and payroll taxes Statutory authority	_		-	-	Health Insurance A 1970, c. 37 and ame ments.		
Basis	_	_	-	_	Gross salaries paid employees who rer for work in an est lishment in Quebec		
Rate	-	_	-	-	8/10 of 1%		
Comments		_		-	The proceeds of t levy are earmarked medical care. Individuals also pay special medical c income tax. See Ta 2 under Quebec.		
	Basis	Tobacco Taxes  Statutory authority	Tobacco Taxes  Statutory authority	Tobacco Taxes  Statutory authority	Tobacco Taxes Statutory authority		

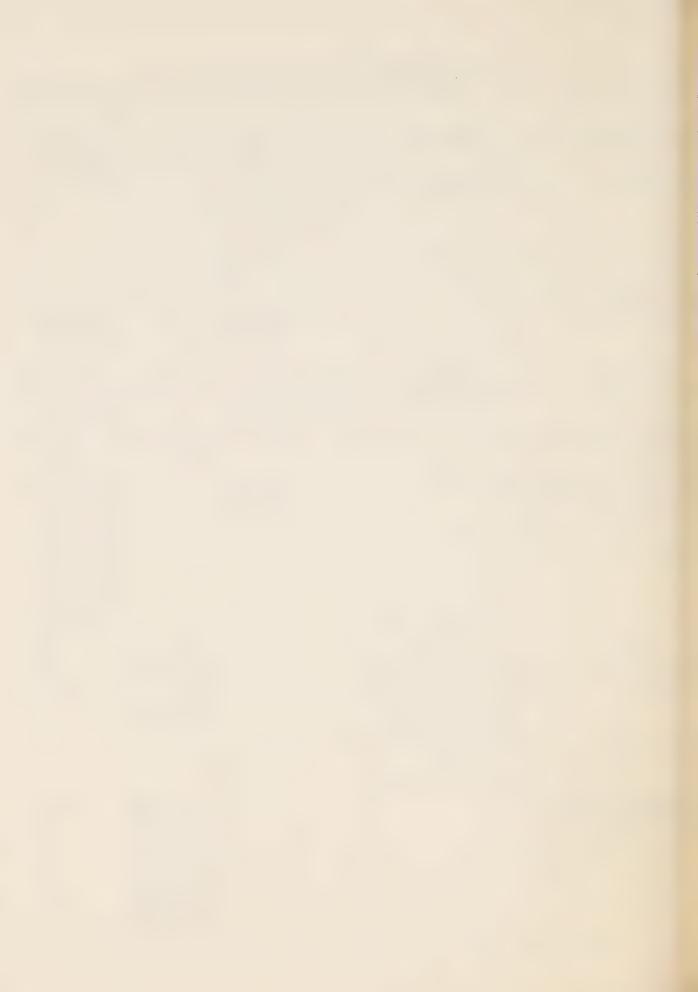
TABLE 5. Miscellaneous Provincial Taxes - Continued

	A	ABLE 5. Miscellane	eous Provincial Taxe	s - Continued			
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No
R.S.O. 1970, c. 463 and amendments.	and amendments.  By cigarette; by retail	S.S. 1965, c.68 and amendments.  By cigarette according	R.S.A. 1970, c. 364 and amendments.  By cigarette; by retail				1 1
price of cigars; by weight for other to- bacco products.	weight for other manufactured tobac- co.	to length; by retail price of cigars and by weight for other tobacco products.	snuff).	tail price of cigars; by weight for other tobacco products.			
zarettes — 0.46 of 1¢ ach zars from:   to 7¢ - 1¢ each ? " 10¢ - 2¢ " . up — 1¢ additional ax foreach additional ô¢ of retail price per tobac coproducts — 2½¢ per ½ ounce (or part thereof).	each Cigars: 4¢ orless - 1¢ each 5¢ to 8¢ - 2¢ " 9¢ " 12¢ - 3¢ " 13¢ " 16¢ - 4¢ " 17¢ " 20¢ - 5¢ " 21¢ " 28¢ - 7¢ "	Cigarettes up to 85 millimeters long - 8/25 of 1¢ each Cigarettes over 85 millimeters long - 9/25 of 1¢ each Cigars from: up to 7¢ - 1¢ each 8¢ to 15¢ - 2¢ "16¢ "25¢ - 4¢ "35¢ - 6¢ "35¢ - 6¢ "36¢ "45¢ - 8¢ "over 45¢ - 10¢ "Other tobacco - 2¢ per ½ oz. or fraction thereof.	Cigarettes — 8/25 of 1¢ each Cigars:     7¢ orless — 1¢ each 8¢ to 15¢ — 2¢ "     16¢ " 22¢ — 3¢ "     23¢ " 32¢ — 5¢ "     33¢ " 42¢ — 7¢ "     over 43¢ — 9¢ "  Tobacco — 64¢ per pound.	Cigarettes — 8/25 of 1¢ each Cigars: 7¢ or less — 1¢ each 8¢ to 15¢ — 2¢ "16¢ to 22¢ — 3¢ "23¢ to 32¢ — 5¢ "33¢ to 42¢ — 7¢ "over 43¢ — 9¢ "Other tobacco products — 2¢ per 1/2 oz. or part thereof.		-	3
tes are effective March 29, 1972.	Rates are effective May 1, 1972.	_	_	_		-	4
Hospital Services commission Act; S.O. 960, c. 176 and anendments. Health Services Inurance Act; S. 1968-9.	The Health Services Insurance Act; 1970, c. 35 (second session).	(a) The Saskatchewan Hospitalization Act; S.S. 1965, c. 253 and amend- ments. (b) The Saskatchewan Medical Care Insur- ance Act; S.S. 1965, c. 255 and amend- ments.	The Alberta Hospitals Act; 1961, c. 36.  The Health Insurance Premiums Act; 1969, c. 45 and amend- ments.	Medical Services Act; S.B.C. 1967, c. 24.	Health Care Insurance Plan Ordinance; 1971 (1st), c.	-	5
othly premiums	Monthly premiums	Annual premiums	Annual premiums	Monthly premiums	Monthly premiums	-	6
	Single	(a) Single \$24.00 Family \$48.00 (b) Single \$12.00 Family \$24.00		Single\$ 5.00 Family of two \$10.00 Family of three or more\$12.50	Single\$6.50 Family of two\$12.50 Family of three or more\$14.50	-	7
nbined billing of pre- nums for the hospi- alization and medical are plans commenced uly 1, 1972.	Premium rates for members of the RCMP and Canadian Armed Forces: family (1 dependant) \$4.15, family (2 or more dependants) \$6.25.  Hospitalization and medical care plans are combined.	Persons 65 years of age and over do not have to pay premiums.	Hospitalization and medical care contributions are combined.	The province subsidizes 90% of premium cost of persons with no taxable income in the previous year, and 50% of premium cost for persons with taxable income not in excess of \$1,000 in the previous year.  Hospitalization and medical care contributions are combined.	The Territory subsidizes 100% of premium cost of persons with no taxable income and 50% of premium cost for single persons with taxable income less than \$500, for families of two with taxable income less than \$1,000 and families of three or more with taxable income less than \$1,300.  Effective April 1,1972.		8

#### TABLE 5. Miscellaneous Provincial Taxes - Concluded

	TABLE 5. Miscellaneous Provincial Taxes - Concluded					
No.		Newfoundland	Prince Edward Island	Nova Scotia		
1	Other taxes  Name of tax	Telegraph and wireless tax	-	Tax on long-distance telephone calls		
2	Statutory authority	The Telegraph Tax Act; S.N. 1952, c. 33.		Corporations Tax Act; S.N.S. 1967. c. 61.		
3	Basis	(a) by telegraph cables to places outside the province; and (b) by wireless station communicating with any place, ship, or vessel outside the province; (c) amount received for telegraphic messages passing over the land lines of a company in the province.		Toll charge		
4	Rate	ince.  (a) \$4,000 per cable (max. tax \$20,000). (b) \$4,000 per station. (See comment.)		5¢ for each 50¢ toll charge or part thereof.		
5	Comments	(c) 1% No tax is charged if the purpose of the wireless station is only for the reporting of passing ships or vessels.		Tolls under 25¢ are exempt.		
6	Name of tax	Business tax	Tax on alcoholic beverages	_		
7	Statutory authority	_   	The Health Tax Act; S.P.E.I. 1951, c. 71 and amendments.			
8	Basis	Registration fee for every company	Retail price			
9	Rate	\$100.00 per year	10%			
10	Comments	_	Retail sales are made through provincial government liquor stores.	}		
11	Name of tax	-	-	_		
12 13	Statutory authority					
14	Rate					
15	Comments					

TABLE 5. Miscellaneous Provincial Taxes - Concluded							
Quebec	Ontario	Saskatchewan	Alberta	British Columbia	Yukon Territory	No.	
Telecommunications mmunications Tax Act; 1965, c. 28. of telecommunication	Professional boxing and wrestling events  The Athletics Control Act; S.O. 1960, c. 26.  Gross receipts of professional boxing and wrestling events		Fur tax  The Game Act; S.A. 1965, c. 126 and a- mendments.  Per pelt	_	Fur tax  Fur Export Ordinance; R.O. 1958, c. 49 and amendments.  Per pelt	1 1 2	
8%	2%		   Various		<b>V</b> arious	! 4	
ble to long distance telephone calls, rams and other telecommunications.	-		Rates are estab- lished by reg- ulations with a range from 2¢ to \$1.25 per pelt.		Rates are estab- lished by reg- ulations with a range from 1¢ to \$5.00 per pelt.	5	
Meals and lodging tax	Land transfer tax	Motor vehicle insurance tax	Bus mileage tax	Hotel and motel	Alcoholic beverages tax	6	
and Hotels Tax Act; 1965, c. 30.	The Land Transfer Tax Act; R.S.O. 1970, c. 235 and amendments.	The Motor Vehi- cle Insurance Premiums Tax	ice Vehicles Act; R.S.A. 1970, c. 300 and amend	Hotel and Motel Room Tax Act; 1971, c. 26.	Government Liquor Ordinance; O.Y. T. 1970(1st. ses- sion), c. 3.	7	
Is priced \$1,25 and over; on alcoholic rages; on any aerated water, to which nce or syrup has been added, and on of lodging.	Purchase price	Premium income	ments. By passenger mile	Purchase price of ac- commodation in hotels and motels	By the bottle, flask, or gallon	8	
(is not payable by persons employed establishment on the price of lodging meals supplied to them by the person keeps the establishment. Beer served tavern is not taxable.	Up to \$35,000 - 3/10 of 1% Over \$35,000 - 3/5 of 1%	1%	2/15 of 1¢ per passenger mile on hard surface roads; 2/45 of 1¢ per pas- senger mile on gravel roads.	5%	10¢ on each dozen bottles of beer 10¢ on each half-bottle of table wine 20¢ on each bottle of table wine 20¢ on each half-bottle of fortified wine 45¢ on each bottle of fortified wine 20¢ on each flask of spirits 50¢ on each bottle of spirits 10¢ on each gallon of draft beer		
-	Rate effective April 1, 1972.	_	_		_	10	
Logging tax g Tax Act; R.S.Q. 1964, c. 68 and dments. (as defined)	Security transfer tax  The Security Transfer Tax Act; R.S.O. 1970, c. 427 and amendments.  Sale price of securities transferred  Bonds and debentures, 3¢ per \$100 or fraction thereof, of par value	_	_	Logging tax Logging Tax Act; S.B.C. 1960. c. 225 and amendments. Net income 15% where net income exceeds \$10.000.	-	11 12 13 14	
emption is allowed where income is than \$10,000; where income exceeds 100, the tax is paid on the total income	Shares sold, transferred or assigned: Value under \$1 - 1/10 of 1% of value  "\$1 to \$5 - 1/4c per share  "\$25 - 1/4c ""  "50" 75 - 3/2c ""  "over \$150 - 4/c per share plus  1/10 of 1% value in excess of \$150			Full exemption is allowed where net income is less than \$10.000.		15	
ding the \$10,000.				where net income exceeds \$10,000; the tax is paid on the total net income including the first \$10,000.  Tax credit of ten-fiftieths of tax is provided under the provincial income Tax Act. Two-thirds may be deducted from federal income tax under the provisions of the federal Income Tax Act.			



### PART IV

REAL PROPERTY TAXES



#### **GENERAL**

Real property taxation is largely a local government preserve in Canada. In recent years, however, certain provincial governments have assumed responsibilities that have traditionally been regarded as local in character and, simultaneously, have preempted a substantial proportion of the real property tax field. The federal government does not impose any real property tax.

#### **Provincial Governments**

Provincial property taxes are levied by New Brunswick at the rate of 1-1/2% of fair market value on all land and buildings in the province; a similar tax is also imposed on business occupancy. The revenue from these levies is not earmarked for any specific purpose; their imposition, however, coincided with the assumption by the Province of responsibility for the provision of services in the areas of education, health, welfare and administration of justice which until January 1, 1967 had been provided by local governments.

Starting July 1, 1972, Prince Edward Island launched a program somewhat similar to that of New Brunswick. A tax of 1-1/10% is imposed on the fair market value of all real property in the province; in addition, a further 1-1/10% of fair market value is assessed against business property. Imposition of these taxes coincided with the assumption by the Province of responsibility for the

provision of primary and secondary education, responsibility which had hitherto rested with local governments. (Health and welfare services in the various localities were already provided by the provincial government from other revenue sources.)

Certain other provinces also impose property taxes but these are not significant from a revenue standpoint. Nova Scotia levies a "land tax" of limited application. In unorganized (non-municipal) areas, the Province of Ontario imposes a property tax of 1-1/2% of assessed value with a minimum annual tax of \$6.00 in respect of any land. British Columbia also imposes a property tax in unorganized (non-municipal) areas at varying rates ranging from 1/2 of 1% of the assessed value of farm land to 7% for (operating) coal land. The Yukon Territory levies a property tax on the "fair value" of all real property (non-municipal) at a rate determined each year.

#### **Local Governments**

The principal revenue available to local governments from their own sources is that generated by the tax levied on real property situated within their boundaries. Generally speaking, municipalities set the rates and collect the proceeds of this levy themselves or do so on behalf of other local governments in their areas. Exceptions to this practice are found in New Brunswick and Prince Edward Island, where the municipalities set rates but where imposition and collection are carried out by the provincial governments, and in most of Quebec outside the Montreal area, as well as in the unorganized parts of Ontario where school boards levy their own real property taxes.

The real property tax rate is expressed in mills per dollar (or dollars per \$100) of the taxable assessed value of taxable property. Actual mill rates and assessment practices vary widely among municipalities. In fact, the real property tax in a municipality depends on the location and physical make-up of the municipality, the type and level of services that it provides, the financial assistance that it receives from other governments, and the methods that it uses to discharge its financial responsibilities. Thus each municipality's real property tax rate is unique and valid rate comparisons between different municipalities are very difficult to make. An exercise has been undertaken to present rate-related data on total real property taxation in Canada; the nature of the presentation and the results obtained are described below under the heading "real property tax rates".

#### Tax Credits or Subsidies in Respect of Real Property Tax

Measures have been adopted by the provincial governments of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia to alleviate the burden of real property taxation.

In Ontario, the residential property tax reduction, which relieved the first \$2,000 of assessment at an equalized mill rate and which provided additional relief for elderly citizens or couples maintaining an independent household and in receipt of the federal guaranteed income supplement, was replaced in 1972 by an income tax credit. Unlike the residential property tax reduction which benefited in approximately equal fashion all real property taxpayers, the income tax credit is calculated on a sliding scale which provides less affluent individuals with a larger credit than that available to individuals in the higher income brackets. The scheme takes account of income and of real property tax paid. The minimum credit entitlement is \$10; individuals whose income is insufficient to make them liable to income tax are eligible for full credit.

In Manitoba, an education property tax credit plan came into operation in 1972. The credit is calculated by means of a formula which takes into account the school taxes paid by an individual and his taxable income. It is equal to \$140 less 1% of taxable income subject to the provision that it cannot be reduced to less than \$50. The credit can be claimed by individuals who rent as well as by

those who own the residential premises which they occupy. No person can receive a benefit in excess of his school property tax for the year.

In Saskatchewan, the home-owner grant program was replaced in 1972 by the property improvement grant program. The new program applies to small businesses and farms as well as to homes. It takes the form of a grant equal to 13 mills of assessed value up to a maximum assessed value of \$6,000 for a home, \$10,000 for a small business and \$15,000 for a farm. The grant cannot be less than that previously paid under the home-owner grant program (the lesser of \$60 or half the year's property tax).

In Alberta, the home-owner tax subsidy provides for a discount of \$50 on the taxes of owner-occupied eligible residences in the province. Moreover, under the Senior Citizen's Shelter Act, all home-owners aged 65 years or over also benefit from a 30 mill reduction in school property taxes. Individuals 65 years of age or over who rent residential premises and do not own a home benefit from a \$50 grant to help offset their indirect real property tax burden.

In British Columbia the home-owners' grant provides tax relief for resident home-owners. The maximum amount of this grant has been set at \$185 per property in 1972 for home-owners under 65 years of age and at \$235 per property for home-owners 65 years of age and over. The grant is paid to the municipality on behalf of the home-owner who pays the balance of the taxes levied on his property.

#### Real Property Tax Rates

There is great difficulty in presenting rates of real property tax that are comparable from province to province. The major obstacle in the way of any attempt to such a presentation is the fact that assessment of real property value fluctuates widely from local government to local government. In provinces where a certain uniformity of assessment is enforced, comparability may exist among local governments of that province but not with those of the other provinces unless, of course, all provinces were to resort to the same assessment system. This, however, is not the case and, generally speaking, there is little way of comparing real property tax rates among provinces. In practice several assessment systems are used; all relate to some kind of value assessed against taxable property ranging from various percentages of fair market value to fair market value itself. However, even if fair market value is used as a yardstick in most cases, there is no guarantee that such value is current. Readjustments of fair market value can be made but the time intervals between such readjustments are irregular and the readjustments themselves are often quite arbitrary.

To present some kind of rate-related data that can claim to hold a certain degree of interprovincial comparability, relationships of tax yield to some common base variable have to be developed. In the 1968, 1969 and 1970 editions, implicit rates of taxation were derived by taking the ratio of actual tax to market value for a representative or typical piece of property. This did not prove satisfactory because of the difficulties encountered in defining what could be considered as a representative or typical piece of property in all municipalities and also in assigning what could be termed a median fair market value to such property since fair market value fluctuates significantly from area to area even within a same locality. The technique was dropped in the 1971 edition. After much consideration of the problem, it has now been concluded that relationships of tax yields to certain nonfinancial indicators with common denominator implications for all provinces may be useful in portraying certain trends and comparisons.

Real Property Tax per Capita, 1966 to 1970

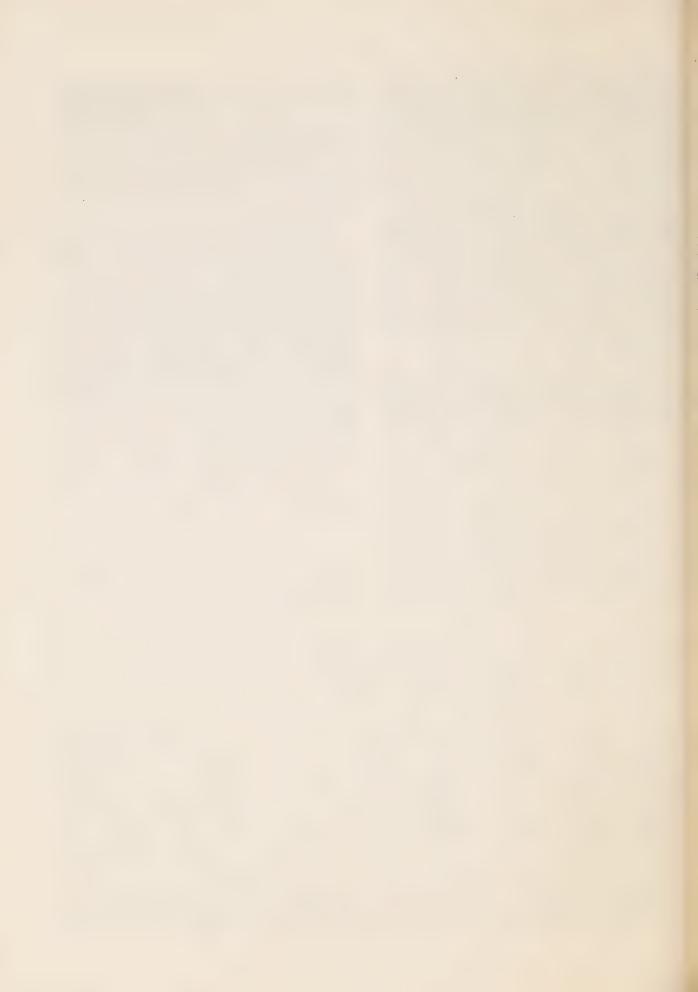
	1966 (Act.)	1967 (Act.)	1968 (Act.)	1969 (Act.)	1970 (Est.)
			dollars		
Newfoundland Prince Edward Island Nova Scotia Now Brunswick Quebec Ontario Manitoba Saskatchewan Alberta British Columbia Yukon Northwest Territories  Canada	9.87 30.03 55.17 66.83 86.84 124.90 92.42 112.45 100.00 113.69 15.64 15.62	9.46 37.50 59.86 52.12 92.76 138.93 97.00 124.95 110.40 115.63 27.40 21.66	11.74 49.76 77.88 55.62 103.20 151.47 115.69 132.77 124.80 137.45 15.87 20.52	12.07 59.64 71.57 59.39 114.34 166.29 127.89 146.13 135.41 61.80 26.19	19, 21 50, 67 77, 10 66, 08 126, 94 177, 77 130, 23 153, 37 135, 22 164, 38 62, 75 28, 30

Sources: Statistics Canada, Local Government Finance – Preliminary and Estimates, (Catalogue 68-203); Statistics Canada, Local Government Finance – Actual (Catalogue 68-204); Statistics Canada, Provincial Government Finance – Revenue and Expenditure (Estimates) (Catalogue 68-205); Statistics Canada, Provincial Government Finance – Revenue and Expenditure (Catalogue 68-207).

Unfortunately not too many of these non-financial common denominators are available but population may be considered to be one of them since residential facilities and the industrial, commercial, and institutional premises necessary to shelter the needs and activities of a community bear some relationship to its population. As population grows, so do its real property requirements. With this consideration in mind, a table has been constructed providing data on real property tax per capita in Canada and in the provinces for the years 1966 to 1970 inclusive. The real property tax revenue of provincial and local governments have been combined to promote interprovincial comparability. Because of a special situation prevailing in Newfoundland, optimum interprovincial comparability could not be achieved at least as far as this province is concerned. Schools in Newfoundland are still, by and large, private institutions and thus fall outside the ambit of government. This explains why the figures for this province appear so much out of line with those of the other Atlantic provinces.

The information provided by the table is interesting in that it illustrates the extent of the relative exploitation of the real property tax field in Canada. However an important qualification is warranted. The figures used are gross figures, i.e., they do not reflect the tax credits or subsidies in respect of real property tax in certain provinces. Thus the effective burden of real property taxation in Ontario, Saskatchewan, Alberta and British Columbia is less, and appreciably less in certain instances, than is portrayed above. The purpose of the table is to provide some comparison of real property tax yield in the various provinces and not necessarily to compare the effective real property tax burden for the individual.

The information provided by the table is also interesting in that it provides a measure of the secular increase in taxation. Since the data is on a per capita basis, the element of increase in tax yield due to increased population or enlargement of the real property stock is, to some extent, discounted. What remains is the element of tax increase caused either by increases in mill rates or reassessments of taxable value. Upward adjustments of taxable value amount to a form of tax increase; however, they are not made solely in the spirit of increasing taxes but also in the spirit of maintaining some kind of relationship to fair market value. Thus they also reflect something which is not tax increase but the working of the inflationary process.



## PART V

HISTORICAL SUMMARIES
OF SELECTED TAXES

TABLE I. Historical Summary of the Personal Income Taxes levied by the Federal Government, 1962 to 1972

1962	1965
	DAMES
RATES	RATES Same as 1964.
"Basic" personal income tax (excluding old age security tax): 11% on first \$1,000 of taxable income	Danie as 1001.
\$ 110 on \$ 1,000 plus 14% on next \$ 1,000	EXEMPTIONS AND DEDUCTIONS
420 ** 3,000 ** 19% ** ** 1,000	Same as 1962.
1 050 '' 4,000 '' 26% '' '' 2,000	
1,570	TAX ABATEMENTS, REDUCTIONS AND CREDITS
2.870 " 12.000 " 40% " " 3,000	Increase in the provincial income tax abatement to 21% in all province other than Quebec, and 44% in Quebec (the additional 23 percentage)
4,070 " 15,000 " 45% " " 10,000 8,570 " 25,000 " 50% " " 15,000	points in Quebec are in respect of fiscal compensation for opting out of certain federal-provincial shared cost programs).
16,070 '' 40,000 '' 55% '' '' 20,000 27,070 '' 60,000 '' 60% '' '' 30,000	Provision of a tax reduction equal to 5% of "basic" personal income ta
45,070	(maximum \$300).
137,820 " 225,000 " 75% " " 175,000	The credit for dividends from Canadian corporations remains at 20% of the amount of dividends received.
269,070 " 400,000 " 80% " remainder	
Old age security tax: 3% of taxable income (maximum \$90).	1966
Tax on investment income from sources outside Canada: 4% of the taxpayer's income from investment outside Canada, after de-	
duction of \$2,400 or the total of his personal exemptions, whichever is greater, plus allowable charitable donations and medical expenses.	RATES
is greater, plus arrowable charitable donations and medical expenses.	Same as 1964.
EXEMPTIONS AND DEDUCTIONS	
Single	EXEMPTIONS AND DEDUCTIONS
Married	Same as 1962, except that a separate deduction is allowed for union and professional dues in addition to the standard deduction of \$100 and that
Chian under 16         300           Other dependants         550	the \$500 deduction for taxpayers between the ages of 65 and 70 is can celled if they are in receipt of old age security benefits.
Old age (taxpayers 65 years of age and over) 500	cented if they are in receipt of old age security benefits.
Charitable donations, medical expenses and union dues:	TAX ABATEMENTS, REDUCTIONS AND CREDITS
Charitable donations: Up to 10% of income.	Increase in the provincial income tax abatement to 24% in all provinces
Medical expenses: Over 3% of income.	other than Quebec, and 47% in Quebec.
Union or professional dues:	Cancellation of the tax reduction enacted in 1965 and provision of two separate tax reductions equal to 4% of "basic" personal income ta
No restriction.	(maximum \$240) and 12% of "basic" personal income tax (maximum \$12)
10	The credit for dividends from Canadian corporations remains at 20% of th amount of dividends received.
Standard deduction of \$100 (in lieu of claiming deductions for charitable donations, medical expenses and union or professional dues).	
donations, medical expenses and union of professional dues).	1967
TAX ABATEMENTS, REDUCTIONS AND CREDITS	
Provincial income tax abatement: 16% of "basic" personal income tax.	RATES
Credit for dividends from Canadian corporations:	Same as 1964 except for an increase from 4% (maximum \$120) to 4% (maximum \$120)
20% of the amount of dividends received.	mum \$240) in the old age security tax rate.
1963	EXEMPTIONS AND DEDUCTIONS
	Same as 1966.
RATES	
Same as 1962.	TAX ABATEMENTS, REDUCTIONS AND CREDITS
EXEMPTIONS AND DEDUCTIONS	Increase in the provincial income tax abatement to 28% in all provinces
Same as 1962.	other than Quebec, and 50% in Quebec.  The tax reductions of the previous year are changed to a single reduction
TAX ABATEMENTS, REDUCTIONS AND CREDITS	equal to 20% of "basic" personal income tax (maximum \$20).
Same as 1962, except for an increase of the provincial tax abatement from	The credit for dividends from Canadian corporations remains at 20% of the amount of dividends received.
16% to 17%.	winding of dividends received.
	1968
1964	
RATES	RATES
Same as 1962 except for an increase from 3% (maximum \$90) to 4% (maxi-	Same as 1967 except for the imposition of a surtax equal to 3% of basic personal income tax in excess of \$200.
mum \$120) of the old age security tax rate.	possesses in come tax in excess of \$200.
EXEMPTIONS AND DEDUCTIONS	EXEMPTIONS AND DEDUCTIONS
Same as 1962.	Same as 1966.

TAX ABATEMENTS, REDUCTIONS AND CREDITS

Same as 1967.

TAX ABATEMENTS, REDUCTIONS AND CREDITS Same as 1963, except for an increase in the provincial tax abatement from 17% to 18%.

TABLE I. Historical Summary of the Personal Income Taxes levied by the Federal Government, 1962 to 1972 - Concluder

Taxes	s levied by the Federal Government, 1962 to 1972 - Concluded
, 1969	1972
RATES	CHANGES IN THE CONCEPT OF INCOME
same as 1968 except for the imposition of a social development tax equal to $2\%$ of taxable income (maximum \$120).	Under tax reform, income is broadened to include half of capital gains; half of capital losses are deductible from capital gains brought into income or from other income if they do not exceed \$1,000. Income is also
EXEMPTIONS AND DEDUCTIONS	broadened to include unemployment insurance benefits and other receipts hitherto excluded from its ambit.
Same as 1966.	RATES
TAX ABATEMENTS, REDUCTIONS AND CREDITS	17% on the first \$500 of taxable income
Jame as 1967.	\$ 85 on \$ 500 plus 18% on next \$ 500 175 '' 1,000 '' 19% '' '' 1,000
	175 ' 1,000 '' 19% '' 1,000 365 '' 2,000 '' 20% '' '' 1,000
1970	565 '' 3,000 '' 21% '' '' 2,000
	985 '' 5,000 '' 23% '' '' 2,000 1,445 '' 7,000 '' 25% '' '' 2,000
RATES	1,445 " 7,000 " 25% " " 2,000 1,945 " 9,000 " 27% " " 2,000
ame as 1969.	2,485 " 11,000 " 31% " " 3,000
	3,415 '' 14,000 '' 35% '' '' 10,000
EXEMPTIONS AND DEDUCTIONS	6,915 '' 24,000 '' 39% '' '' 15,000 12,765 '' 39,000 '' 43% '' '' 21,000
ame as 1966 except that the old age exemption of \$500 is restricted to	21,795 " 60,000 " 47% " excess
persons 70 years of age and over.  TAX ABATEMENTS, REDUCTIONS AND CREDITS	The old age security and social development taxes are eliminated as separate levies and the surtax and the 4% tax on investment income from sources outside of Canada are cancelled.
ame as 1967.	
	EXEMPTIONS AND DEDUCTIONS
1971	Single
	Married
RATES  Basic" personal income tax (excluding old age security tax):	Dependants:   Children under 16
Nil on first \$500 of taxable income Nil on \$ 500 plus 16% on next \$ 1,500 \$ 240 " 2.000 " 18% " 1.000	Students in full-time attendance at a post- secondary educational institution
420 " 3,000 " 19% " " 1,000 610 " 4,000 " 22% " " 2,000	Old age (taxpayers 65 years of age and over)
1,050 '' 6,000 '' 26% '' 2,000 1,570 '' 8,000 '' 30% '' '' 2,000	Taxpayers who are blind or confined to a wheelchair
2,170 '' 10,000 '' 35% '' '' 2,000 2,870 '' 12,000 '' 40% '' '' 3,000	Charitable donations, medical expenses and union dues:
4,070 '' 15,000 '' 45% '' '' 10,000 8,570 '' 25,000 '' 50% '' '' 15,000	Charitable donations: Up to 20% of income.
16,070 ** 40,000 ** 55% ** 20,000 27,070 ** 60,000 ** 60% ** ** 30,000	Medical expenses: Over 3% of income.
45,070	10
137,820 " 225,000 " 75% " " 175,000 269,070 " 400,000 " 80% " remainder	Standard deduction of \$100 (in lieu of claiming deductions for charitable donations and medical expenses).
ld age security tax: 4% of taxable income (maximum \$240).	Union or professional dues: No restriction.
ne social development tax is reduced to 2% of taxable income in excess of \$1,000 (maximum \$100).	Child care expenses: \$500 for each child under 14 years of age (maximum \$2,000 per family)
10 surtax on basic personal income tax in excess of \$200 is reduced to 11/2%.	Employment expenses: Up to 3% of employment income (maximum \$150).
ax on investment income from sources outside Canada: 4% of the taxpayer's income from investment outside Canada, after deduction of \$2,400 or the total of his personal exemptions, whichever is greater, plus allowable charitable donations and medical expenses.	Moving expenses: Removal expenses incurred by a taxpayer who changes job.
	TAX ABATEMENTS, REDUCTIONS AND CREDITS
EXEMPTIONS AND DEDUCTIONS  me as 1970, except that the amount of any guaranteed income supplement payable under the Old Age Security Act is deductible in	Provincial income tax abatement: All provinces other than Quebec: Nil. Quebec:
computing taxable income.	24% of federal personal income tax.  Tax reduction:
TAX ABATEMENTS, REDUCTIONS AND CREDITS	3% of basic personal income tax.  There is a dividend tax credit which operates as follows:
me as 1967 except for the repeal of the "basic" personal income tax reduction of 20% (maximum \$20) and the introduction of a tax cut equal to 11/2% of "basic" personal income tax.	There is a dividend tax credit which operates as follows: Dividend income is increased by 33½% and added to income and 80% of of the "grossed up" portion of the dividend is allowed as a credit against federal tax.

TABLE II. Historical Summary of the Personal Income Taxes levied by the Province of Quebec, 1962 to 1972

1962	1964
RATES	RATES
2.5% on first \$1,000 of taxable income	Same as 1963.
\$ 25 on \$ 1,000 plus 2.8% on next \$ 1,000	Name we leave
53 ' 2,000 ' 3,2% ' 2,000	EXEMPTIONS AND DEDUCTIONS
117 ** 4,000 ** 3.6% ** ** 2,000	Same as 1962.
189 '' 6,000 '' 4.3% '' '' 2,000	Same as 1902.
275 '' 8,000 '' 5.0% '' '' 2,000	TAX CREDIT
375 ** 10,000 ** 5.8% ** ** 2,000	
491 '' 12,000 '' 6.6% '' '' 3,000	Same as 1962.
689 '' 15,000 '' 7.5% '' '' 10,000	1965
1,439 '' 25,000 '' 8.3% '' '' 15,000	1000
2,684 '' 40,000 '' 9.1% '' '' 20,000	
4,504 '' 60,000 '' 9.9% '' '' 30,000	RATES
7,474 " 90,000 " 10.8% " " 35,000	4.8% on first \$1,000 of taxable income
11,254 " 125,000 " 11.6% " " 100,000 22.854 " 225,000 " 12.4% " " 175,000	\$ 48 on \$ 1,000 plus 6.2% on next \$ 1,000 110 " 2,000 " 7.5% " " 1,000
22,854 " 225,000 " 12.4% " " 175,000 44,554 " 400,000 " 13,2% " remainder	185 '' 3.000 '' 8.4% '' '' 1.000
	269 " 4,000 " 9.7% " " 2,000 463 " 6,000 " 11.4% " " 2,000
Cax on investment income: $\frac{1}{2}$ of 1% of such income in excess of the greater of \$2,400 or the total of personal exemptions.	691 '' 8,000 '' 13.2% '' '' 2,000 955 '' 10,000 '' 15,4% '' '' 2,000
	1 1 791 " 15 000 " 19 8% " " 10 000
EXEMPTIONS AND DEDUCTIONS	3,771 '' 25,000 '' 22.0% '' '' 15,000
Single\$1,000	11.911 " 60.000 " 26.4% " " 30,000
Married 2,000	29.841 '' 125.000 '' 30.8% '' '' 100,000
Dependants:	60,641 " 225,000 " 33.0% " " 175,000 118,391 " 400,000 " 35.2% " remainder
Children under 16	110,001 100,000 0042/0 1011621401
Other dependants	
Other dependants 550 Old age (taxpayers 65 years of age and over) 500	Tax on investment income: Same as 1962.
Old age (taxpayers 65 years of age and over)	
Old age (taxpayers 65 years of age and over)	
Old age (taxpayers 65 years of age and over)	Same as 1962.
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45%
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.  1966  RATES  5.2% on first \$1,000 of taxable income
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.  1966  RATES  5.2% on first \$1,000 of taxable income  \$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.  1966  RATES  5.2% on first \$1,000 of taxable income \$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000 118 " 2,000 " 8,0%" " 1,000 198 " 3,000 " 8,9%" " 1,000
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.  1966  RATES  5.2% on first \$1,000 of taxable income \$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000 118 '' 2,000 '' 8.0% ''' 1,000 198 '' 3,000 '' 8.9% ''' 1,000 198 '' 3,000 '' 8.9% ''' 2,000 287 '' 4,000 '' 10.3% '''' 2,000 493 ''' 6,000 ''' 12.2% ''' 2,000
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.  1966  RATES  5.2% on first \$1,000 of taxable income \$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000 118 " 2,000 " 8.0% " 1,000 198 " 3,000 " 8.9% " 1,000 198 " 3,000 " 8.9% " 2,000 198 " 3,000 " 10.3% " 2,000 198 " 2,000
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.  1966  RATES  5.2% on first \$1,000 of taxable income \$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000 118 " 2,000 " 8,0%" " 1,000 198 " 3,000 " 8,9%" " 1,000 198 " 3,000 " 10,3%" " 2,000 493 " 6,000 " 10,3%" " 2,000 493 " 6,000 " 12,2%" " 2,000 737 " 8,000 " 14,1%" " 2,000 1,019 " 10,000 " 16,5%" " 2,000 1,019 " 10,000 " 10,00
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.  1966  RATES  5.2% on first \$1,000 of taxable income \$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000 118 " 2,000 " 8.0% " 1,000 198 " 3,000 " 8.9% " 1,000 287 " 4,000 " 10.3% " 2,000 493 " 6,000 " 12.2% " 2,000 737 " 8,000 " 14.1% " 2,000 1,019 " 10,000 " 16.5% " 2,000 1,349 " 12,000 " 18.8% " 3,000 1,349 " 12,000 " 18.8% " 3,000 1,349 " 12,000 " 18.8% " 3,000 1,349 " 12,000 " 18.8% " 3,000 1,349 " 12,000 " 18.8% " 3,000 1,349 " 12,000 " 18.8% " 3,000 1,349 " 12,000 " 18.8% " 3,000 1,349 " 12,000 " 18.8% " 3,000 1,349 " 12,000 " 18.8% " 3,000 1,349 " 12,000 " 18.8% " 3,000 1,000 " 18.3% " 10,000 " 1.9.13 " 15,000 " 21.2% " 10,000
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.  1966  RATES  5.2% on first \$1,000 of taxable income \$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000 118 " 2,000 " 8.0%" " 1,000 198 " 3,000 " 8.9%" " 1,000 287 " 4,000 " 10.3%" " 2,000 493 " 6,000 " 12.2%" " 2,000 493 " 6,000 " 12.2%" " 2,000 1,019 " 10,000 " 16.5%" " 2,000 1,019 " 10,000 " 16.5%" " 2,000 1,349 " 12,000 " 18.8%" " 3,000 1,913 " 15,000 " 21.2%" " 10,000 4,033 " 25,000 " 23.5%" " 15,000 7,758 " 40,000 " 25.5%" " 15,000
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.  1966  RATES  5.2% on first \$1,000 of taxable income \$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000 118 '' 2,000 '' 8,0% '' 1,000 198 '' 3,000 '' 8,9% '' 1,000 198 '' 4,000 '' 10,3% '' 2,000 493 '' 6,000 '' 12,2% '' 2,000 737 '' 8,000 '' 14,1% '' 2,000 1,019 '' 10,000 '' 16,5% '' 2,000 1,019 '' 10,000 '' 16,5% '' 2,000 1,314 '' 12,000 '' 18,8% '' 3,000 1,913 '' 15,000 '' 21,2% '' 10,000 4,033 '' 25,000 '' 21,2% '' 10,000 4,033 '' 25,000 '' 21,2% '' 10,000 1,2738 '' 40,000 '' 21,2% '' 10,000 1,2738 '' 40,000 '' 28,2% '' 20,000 12,738 '' 60,000 '' 28,2% '' 20,000 12,738 '' 60,000 '' 28,2% ''' 30,000 121,738 '' 60,000 '' 28,2% ''' 30,000
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.  1966  RATES  5.2% on first \$1,000 of taxable income \$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000 118 " 2,000 " 8.0%" " 1,000 198 " 3,000 " 8.9%" " 1,000 287 " 4,000 " 10.3%" " 2,000 493 " 6,000 " 12.2%" " 2,000 493 " 6,000 " 12.2%" " 2,000 1,019 " 10,000 " 16.5%" " 2,000 1,019 " 10,000 " 16.5%" " 1,000 1,349 " 12,000 " 18.8%" " 3,000 1,349 " 12,000 " 18.8%" " 10,000 1,349 " 12,000 " 23.5%" " 15,000 1,7558 " 40,000 " 25.9%" " 10,000 12,738 " 60,000 " 28.2%" " 30,000 12,738 " 60,000 " 28.2%" " 30,000 21,198 " 90,000 " 30.6%" " 35,000 31,988 " 125,000 " 32.9%" " 10,000
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.  1966  RATES  5.2% on first \$1,000 of taxable income \$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000 118 " 2,000 " 8.0% " " 1,000 198 " 3,000 " 8.9% " " 1,000 198 " 3,000 " 8.9% " " 1,000 198 " 3,000 " 10.3% " " 2,000 493 " 6,000 " 12.2% " " 2,000 1,019 " 10,000 " 16.5% " " 2,000 1,019 " 10,000 " 16.5% " " 2,000 1,019 " 10,000 " 16.5% " " 2,000 1,019 " 10,000 " 16.5% " " 2,000 1,019 " 10,000 " 18.8% " " 3,000 1,913 " 15,000 " 21.2% " " 15,000 1,913 " 15,000 " 21.2% " " 15,000 1,913 " 15,000 " 21.2% " " 15,000 1,913 " 15,000 " 21.2% " " 15,000 1,913 " 15,000 " 21.2% " " 15,000 1,913 " 15,000 " 21.2% " " 15,000 1,913 " 10,0
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.  1966  RATES  5.2% on first \$1,000 of taxable income \$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000 118 " 2,000 " 8.0%" " 1,000 198 " 3,000 " 8.9%" " 1,000 287 " 4,000 " 10.3%" " 2,000 493 " 6,000 " 12.2%" " 2,000 493 " 6,000 " 12.2%" " 2,000 1,019 " 10,000 " 16.5%" " 2,000 1,019 " 10,000 " 16.5%" " 10,000 1,349 " 12,000 " 18.8%" " 3,000 1,349 " 12,000 " 18.8%" " 10,000 1,349 " 12,000 " 23.5%" " 15,000 1,7558 " 4,000 " 25.9%" " 10,000 4,033 " 25,000 " 23.5%" " 15,000 12,738 " 60,000 " 28.2%" " 30,000 12,738 " 60,000 " 28.2%" " 30,000 21,198 " 90,000 " 30.6%" " 35,000 31,908 " 125,000 " 32.9%" " 100,000 64,808 " 225,000 " 35.3%" " 175,000 126,583 " 400,000 " 37.6%" remainder
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.  1966  RATES  5.2% on first \$1,000 of taxable income \$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000 118 " 2,000 " 8.0% " 1,000 198 " 3,000 " 8.9% " 1,000 287 " 4,000 " 10.3% " 2,000 493 " 6,000 " 12.2% " 2,000 737 " 8,000 " 14.1% " 2,000 1,019 " 10,000 " 16.5% " 2,000 1,019 " 10,000 " 16.5% " 10,000 1,349 " 12,000 " 18.8% " 3,000 1,313 " 15,000 " 21.2% " 10,000 4,033 " 25,000 " 23.5% " 15,000 7,558 " 40,000 " 25.9% " 20,000 12,738 " 60,000 " 28.2% " 30,000 21,198 " 90,000 " 30.6% " 35,000 31,908 " 125,000 " 32.9% " 100,000 64,808 " 225,000 " 32.9% " 100,000 66,808 " 225,000 " 35.3% " 175,000 126,583 " 400,000 " 37.6% " remainder  Tax on investment income: % of 1% of the taxpayer's income from investment outside Canada, after
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.  1966  RATES  5.2% on first \$1,000 of taxable income \$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000 118 '' 2,000 '' 8.0% '' 1,000 198 '' 3,000 '' 8.9% '' 1,000 198 '' 3,000 '' 8.9% '' 1,000 287 '' 4,000 '' 10.3% '' 2,000 737 '' 8,000 '' 12.2% '' 2,000 737 '' 8,000 '' 14.1% '' 2,000 1,019 '' 10,000 '' 16.5% '' 2,000 1,349 '' 12,000 '' 18.8% '' 3,000 1,913 '' 15,000 '' 21.2% '' 10,000 1,913 '' 15,000 '' 21.2% '' 10,000 1,913 '' 15,000 '' 23.5% '' 15,000 7,558 '' 40,000 '' 25.9% '' 20,000 12,738 '' 60,000 '' 28.2% ''' 30,000 21,738 '' 60,000 '' 28.2% ''' 30,000 21,198 '' 90,000 '' 30.6% '' '' 35,000 31,908 '' 125,000 '' 32.9% ''' 100,000 64,808 '' 225,000 '' 35.3% '' '' 175,000 126,583 '' 400,000 '' 37.6% '' remainder  Tax on investment income:  ½ of 1% of the taxpayer's income from investment outside Canada, after deduction of \$2,400 or the total of his personal exemptions whichever
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.  1966  RATES  5.2% on first \$1,000 of taxable income \$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000 118 " 2,000 " 8.0% " 1,000 198 " 3,000 " 8.9% " 1,000 287 " 4,000 " 10.3% " 2,000 493 " 6,000 " 12.2% " 2,000 737 " 8,000 " 14.1% " 2,000 1,019 " 10,000 " 16.5% " 2,000 1,349 " 12,000 " 18.8% " 3,000 1,913 " 15,000 " 21.2% " 10,000 1,913 " 15,000 " 21.2% " 10,000 1,913 " 15,000 " 21.2% " 10,000 1,913 " 15,000 " 21.2% " 10,000 1,913 " 15,000 " 23.5% " 15,000 7,558 " 40,000 " 25.9% " 20,000 12,738 " 60,000 " 25.9% " 30,000 12,738 " 60,000 " 23.5% " 175,000 12,738 " 60,000 " 32.8% " 30,000 21,198 " 90,000 " 30.6% " 35,000 31,908 " 125,000 " 32.9% " 100,000 64,808 " 225,000 " 35.3% " 175,000 126,583 " 400,000 " 37.6% " remainder  Tax on investment income:  ½ of 1% of the taxpayer's income from investment outside Canada, after deduction of \$2,400 or the total of his personal exemptions whichevel
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.  1966  RATES  5.2% on first \$1,000 of taxable income \$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000 118 " 2,000 " 8.0% " 1,000 198 " 3,000 " 8.9% " 1,000 287 " 4,000 " 10.3% " 2,000 493 " 6,000 " 12.2% " 2,000 737 " 8,000 " 14.1% " 2,000 1,019 " 10,000 " 16.5% " 2,000 1,019 " 10,000 " 16.5% " 2,000 1,349 " 12,000 " 18.8% " 3,000 1,913 " 15,000 " 21.2% " 10,000 4,033 " 25,000 " 23.5% " 10,000 12,738 " 60,000 " 23.5% " 15,000 7,558 " 40,000 " 25.9% " 30,000 12,738 " 60,000 " 28.2% " 30,000 12,738 " 60,000 " 23.5% " " 175,000 7,558 " 40,000 " 30.6% " 35,000 31,908 " 125,000 " 32.9% " 100,000 64,808 " 225,000 " 32.9% " 175,000 126,583 " 400,000 " 37.6% " remainder  Tax on investment income:  ½ of 1% of the taxpayer's income from investment outside Canada, after deduction of \$2,400 or the total of his personal exemptions whichever is greater, plus allowable charitable donations and medical expenses.
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.  1966  RATES  5.2% on first \$1,000 of taxable income \$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000 118 '' 2,000 '' 8.0% '' 1,000 198 '' 3,000 '' 8.9% '' 1,000 287 '' 4,000 '' 10.3% '' 2,000 493 '' 6,000 '' 12.2% '' 2,000 737 '' 8,000 '' 14.1% '' 2,000 1,019 '' 10,000 '' 16.5% '' 2,000 1,349 '' 12,000 '' 18.8% '' 3,000 1,913 '' 15,000 '' 21.2% '' 10,000 1,913 '' 15,000 '' 21.2% '' 10,000 4,033 '' 25,000 '' 23.5% '' 15,000 7,558 '' 40,000 '' 25.9% '' 10,000 12,738 '' 60,000 '' 28.2% '' 30,000 21,198 '' 90,000 '' 30.6% '' 35,000 31,908 '' 125,000 '' 32.9% '' 100,000 64,808 '' 225,000 '' 35.3% '' 175,000 126,583 '' 400,000 '' 37.6% '' remainder  Tax on investment income: ½ of 1% of the taxpayer's income from investment outside Canada, after deduction of \$2,400 or the total of his personal exemptions whichever is greater, plus allowable charitable donations and medical expenses.
Old age (taxpayers 65 years of age and over)	EXEMPTIONS AND DEDUCTIONS  Same as 1962.  TAX CREDIT  The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.  1966  RATES  5.2% on first \$1,000 of taxable income \$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000 118 '' 2,000 '' 8.0% '' 1,000 198 '' 3,000 '' 8.9% '' 1,000 287 '' 4,000 '' 10.3% '' 2,000 493 '' 6,000 '' 12.2% '' 2,000 737 '' 8,000 '' 14.1% '' 2,000 1,019 '' 10,000 '' 16.5% '' 2,000 1,349 '' 12,000 '' 18.8% '' 3,000 1,913 '' 15,000 '' 21.2% '' 10,000 1,913 '' 15,000 '' 21.2% '' 10,000 4,033 '' 25,000 '' 23.5% '' 15,000 7,558 '' 40,000 '' 25.9% '' 10,000 12,738 '' 60,000 '' 28.2% '' 30,000 21,198 '' 90,000 '' 30.6% '' 35,000 31,908 '' 125,000 '' 32.9% '' 100,000 64,808 '' 225,000 '' 35.3% '' 175,000 126,583 '' 400,000 '' 37.6% '' remainder  Tax on investment income: ½ of 1% of the taxpayer's income from investment outside Canada, after deduction of \$2,400 or the total of his personal exemptions whichever is greater, plus allowable charitable donations and medical expenses.

TABLE II. Historical Summary of the Personal Income Taxes levied by the Province of Quebec, 1962 to 1972

TABLE II. Historical Summary of the Personal Income Taxes	s levied by the Province of Quebec, 1962 to 1972 - Concluded
1967	1971
RATES  5.5% on first \$1,000 of taxable income	RATES Same as November 1, 1970.
\$ 55 on \$ 1,000 plus 7.0% on next \$ 1,000 125 '' 2,000 '' 8.5% '' '' 1,000 210 '' 3,000 '' 9.5% '' '' 1;000 305 '' 4,000 '' 11.0% '' '' 2,000 525 '' 6,000 '' 13.5% '' '' 2,000	EXEMPTIONS AND DEDUCTIONS Same as July 1, 1967.
785 " 8,000 " 15,0% " 2,000 1,085 " 10,000 " 17,5% " " 2,000 1,435 " 12,000 " 20,0% " " 3,000 2,035 " 15,000 " 22,5% " " 10,000 4,285 " 25,000 " 25.0% " " 15,000 8,035 " 40,000 " 27,5% " " 20,000	TAX CREDIT Same as 1967.
13,335 '' 60,000 '' 30,0% '' '' 30,000 22,535 '' 90,000 '' 32.5% '' '' 35,000 33,910 '' 125,000 '' 35.0% '' '' 100,000 68,910 '' 225,000 '' 37.5% '' '' 175,000 134,535 '' 400,000 '' 40.0% '' remainder	1972  CHANGES IN THE CONCEPT OF INCOME
Tax on investment income: Rate increased to 2%; same base as 1966.	Income is broadened to include half of capital gains; half of capital losses are deductible from capital gains brought into income. Income is also broadened to include unemployment insurance benefits.
EXEMPTIONS AND DEDUCTIONS	
The \$300 exemption for children under 16 is repealed effective July 1,	RATES
1967 (this leaves a deduction of \$150 available for the taxation year 1967).	10% on first \$2,000 of taxable income
Low income:	\$ 200 on \$ 2,000 plus 11% on next \$ 1,000 310 " 3,000 " 12% " " 2,000
A full tax deduction is granted to every taxpayer whose net income does not exceed \$2,000 if single or \$4,000 if married.	310 " 3,000 " 12% " " 2,000 550 " 5,000 " 14% " " 2,000
Other exemptions and deductions:	830 " 7,000 " 16% " 2,000
Same as 1962.	1,150 " 9,000 " 18% " " 2,000
TAX CREDIT	1,510 " 11,000 " 20% " " 3,000
The credit for dividends from Canadian corporations is increased to 50% of the corresponding federal credit.	2,110 " 14,000 " 22% " " 10,000 4,310 " 24,000 " 24% " " 15,000
1968	7,910 " 39,000 " 26% " " 21,000 13,370 " 60,000 " 28% " remainder
RATES	Health insurance tax: 8/10 of 1% of net income (maximum: \$125 if at least % of net income is salary, or \$200 otherwise).
Same as in 1967 except for the imposition of a 6% surtax on the provincial personal income tax.	The tax on investment income and the 6% surtax are cancelled.
EXEMPTIONS AND DEDUCTIONS Same as July 1, 1967.	EXEMPTIONS AND DEDUCTIONS Single \$1,500
TAX CREDIT	Married
Same as 1967.	Dependants:
1969	Children 16 and 17 years of age: Part of the \$550 previously available, depending on the effective date of the revision to the family allowance program.
	Children 18 years of age and over\$550
RATES	Old age (taxpayers 65 years of age and over)
Same as 1968.  EXEMPTIONS AND DEDUCTIONS	Low income:  A full tax deduction is granted to every taxpayer whose net income does not exceed \$2,000 if single or \$4,000 if married.
Same as July 1, 1967.	Employment expenses:
TAX CREDIT Same as 1967.	Certain deductions are available for some expenses related to employment, such as the purchase of certain tools and special clothing, moving expenses and child care expenses.
1970	Other deductions: Union or professional dues: No restriction. Charitable donations:
RATES	Up to 10% of income. Medical expenses:
Same as in 1968 except for the imposition of a health insurance tax, at the rate of 8/10 of 1% of net income (maximum: \$125 if at least % of net income is salary, or \$200 otherwise), effective November 1, 1970.	Over 3% of income.  or  Standard deduction of \$100 in lieu of claiming deductions for charitable
EXEMPTIONS AND DEDUCTIONS	donations and medical expenses.
Same as July 1, 1967.	TAY ODERVI
	TAX CREDIT
Same as 1967.	Credit for dividends from Canadian corporations: 50% of corresponding federal credit.

TABLE III. Historical Summary of the Personal Income Taxes levied by the Provinces Other than Quebec, 1962 to 1972

Note: These provinces do not collect their own tax. It is collected on their behalf by the federal government. For years prior to 1971, their impost is expressed as a percentage of the federal "basic" personal income tax. For 1972, it is expressed at a percentage of the revised federal personal income tax.

No.	Province	1962	1963	1964	1965	1966
2	Newfoundland	16 16	17 17	18 18	21 21 21	24 24 24
3 4	Nova Scotia	16 16	17	18	21	24
5 6	Ontario	16 22 22	23	24	26 27	29 29
8	Saskatchewan  Alberta  British Columbia	16	17 17	18	21	24 24

TABLE IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments, 1962 to 1972

	1302 to 1312									
No.	Government	1962	1963	1964	1965	1966				
1	Canada <sup>1</sup>	All income other than dividend income:  18% on first \$35,000 of taxable income  47% on taxable income in excess of \$35,000  Plus 3% old age security tax on all taxable income  Dividend income:  Exempt	Same as 1962	Same as 1962	Same as 1962	Same as 1962				
2	Newfoundland	9% on same base as federal income tax	Same as 1962	Same as 1962	Same as 1962	Same as 1962				
3	Prince Edward Island	9% on same base as federal income tax	Same as 1962	Same as 1962	Same as 1962	Same as 1962				
4	Nova Scotia	9% on same base as federal income tax	Same as 1962	Same as 1962	Same as 1962	Same as 1962				
5	New Brunswick	9% on same base as federal income tax	Same as 1962	Same as 1962	Same as 1962	Same as 1962				
6	Quebec	12% on base very similar to federal income tax	Same as 1962	Same as 1962	Same as 1962	Same as 1962				
7	Ontario	11% on base very similar to federal income tax	Same as 1962	Same as 1962	Same as 1962	Same as 1962				
8	Manitoba	10% on same base as federal income tax	Same as 1962	Same as 1962	Same as 1962	Same as 1962				
9	Saskatchewan		Same as 1962	Same as 1962	Same as 1962	Same as 1962				
10	Alberta		Same as 1962	Same as 1962	Same as 1962	Same as 1962				
11	British Columbia	9% on same base as federal income tax	Same as 1962	Same as 1962	Same as 1962	Same as 1962				

¹ Under the Federal-Provincial Fiscal Arrangements, the federal corporations income tax was, until 1967, abated by an amount equal to 9% of corporation taxable income in all provinces other than Quebec and by an amount equal to 10% of corporation taxable income in Quebec. In 1967, the abatement became a uniform 10% of corporation taxable income in all provinces.

¹ These rates of tax take into account the special 7 percentage points reduction introduced in October 1971.
³ Effective April 1, 1968.

<sup>&</sup>lt;sup>1</sup> Effective July 1, 1971. <sup>2</sup> Effective April 1, 1969. <sup>3</sup> Effective July 1, 1969.

#### TABLE III. Historical Summary of the Personal Income Taxes levied by the Provinces Other than Quebec, 1962 to 1972

Note: These provinces do not collect their own tax. It is collected on their behalf by the federal government. For years prior to 1971, their importal income tax. For 1972, it is expressed at a percentage of the federal "basic" personal income tax. For 1972, it is expressed at a percentage of the revised federal personal income tax.

1967	1968	1969	1970	1971	1972	No.
28 28 28 28 28 33 33 28	Same as 1967	33 Same as 1967 Same as 1967 38 <sup>2</sup> Same as 1967 Same as 1967 Same as 1967 Same as 1967 33 <sup>3</sup> Same as 1967	Same as 1969 Same as 1967 Same as 1967 Same as April 1, 1969 Same as 1967 39 34 Same as July 1, 1969 Same as 1967	Same as 1969 331 Same as 1967 Same as April 1, 1969 27.5 Same as 1970 Same as 1970 Same as July 1, 1969 Same as 1967	36.0 36.0 38.5 41.5 29.585 42.5 37.0 36.0 30.5	1 2 3 4 5 6 7 8 9

ABLE IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments, 1962 to 1972

1967	1968	1969	1970	1971	1972	No.
3ame as 1962	Same as 1962 except for imposition of 3% surtax on tax other than old age security tax	Same as 1968	Same as 1968	Same as 1968 until July 1. Effective July 1, repeal of 3% surtax and re- duction of 7 per- centage points of other rates.	Business income:  Public corporations: 43% of taxable income. Canadian-controlled private corporations: 18% on the first \$50,000 of taxable income and 43% on taxable income in excess of \$50,000.  Investment income other than dividend income: Public and private corporations: 43% of such income subject to the provision that half the tax paid by private corporations is refunded when dividends are paid to shareholders.  Dividend income: Public corporations: Generally exempt. Private corporations: Exempt if received from subsidiary corporations; 334% of such income if received from non-subsidiary corporations but fully refunded if paid to shareholders.	1
11%	12%³	13%	Same as 1969	Same as 1969	Same as 1969	2
10%	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	3
10%	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	4
10%	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	5
ame as 1962	Same as 1962	Same as 1962	Same as 1962	Same as 19624	Same as 1962	6
ame as 1962	12%	Same as 1968	Same as 1968	Same as 1968 <sup>5</sup>	Same as 1968	7
11%	Same as 1967	Same as 1967	13%	Same as 1970	Same as 1970	8
11%	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	9
10%	Same as 1967	11%6	Same as 1969	Same as 1969	Same as 1969	10
10%	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	11

<sup>\*</sup>Corporations investing during the period April 1, 1971, to March 31, 1974, more than \$150,000 of their profits in designated areas in new technological processes or in the production of goods not yet produced in Quebec can benefit from tax credits ranging from 50% to 100% of the amounts invested. Credit granted against corporations income tax, equal to 5% of eligible investment in machinery and equipment purchased and used in Ontario large the period April 26, 1971, and March 31, 1973. Deduction from income of the interest paid on money borrowed to purchase shares in other corporation fiscal years ended after April 26, 1971.

\*Effective July 1, 1969.

TABLE V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1962 to 1972

RATES  es tax (imposed on manufacturer's ice of domestic products and duty e of imported goods):  eral rate	5% 4% 5% 4% 3% 3% 3%	Same as 1962  4% effective June 14  4% effective June 14  4% effective June 14  Same as 1962  5% (effective April 23) Same as 1962   Same as 1962  4% to March 31, 8% effective April 1  4% to March 31, 8% effective April 1  4% to March 31, 8% effective April 1  Same as 1962  Same as April 23, 1963  Same as 1962  Same as 1962  6% (effective April 1)  Same as 1962  Same as 1962	Same as 1962  2  2  2  2  2  Same as 1962  Same as April 23, 1963  Same as 1962  Same as 1962  Same as April 1, 1964  Same as 1962  Same as 1962  Same as 1962  Same as 1962	Exempt effective March 30  Same as 1962  Same as April 23, 1963 Same as 1962  Same as 1962  Same as April 1, 1964  5% (effective April 1)  5% (effective April 1)	
eral rate	3% 11%  1 1 1 5% 4% 5% 4% 3% 3% 3%	4% effective June 14 4% effective June 14 4% effective June 14  Same as 1962 5% (effective April 23) Same as 1962 Same as 1962 Same as 1962 Same as 1962	4% to March 31, 8% effective April 1 4% to March 31, 8% effective April 1  4% to March 31, 8% effective April 1  Same as 1962  Same as April 23, 1963 Same as 1962  Same as 1962  6% (effective April 1)  Same as 1962	2 2 2 2 2 2 Same as 1962 Same as April 23, 1963 Same as 1962 Same as April 1, 1964 Same as 1962	Exempt effective March 30  Same as 1962  Same as April 23, 1963  Same as 1962  Same as 1962  Same as April 1, 1964  5% (effective April 1)  5% (effective
cial rates:  Most building materials	1 1 1 5% 4% 5% 3% 4%	June 14 4% effective June 14  4% effective June 14  4% effective June 14  Same as 1962  5% (effective April 23) Same as 1962  Same as 1962  Same as 1962  Same as 1962	effective April 1 4% to March 31, 8% effective April 1  4% to March 31, 8% effective April 1  Same as 1962  Same as April 23, 1963 Same as 1962  Same as 1962  6% (effective April 1)  Same as 1962	Same as 1962  Same as April 23, 1963  Same as 1962  Same as 1962  Same as April 1, 1964  Same as 1962	Exempt effective March 30  Same as 1962  Same as April 23, 1963  Same as 1962  Same as 1962  Same as April 1, 1964  5% (effective April 1)  5% (effective April 1)
Production machinery  Dies, jigs, fixtures and moulds and patterns therefor and tooling for production machinery  sales taxes (imposed on retail vfoundland	5% 4% 5% 4% 4% 3% 4%	4% effective June 14  4% effective June 14  Same as 1962  5% (effective April 23) Same as 1962  Same as 1962  Same as 1962  Same as 1962	4% to March 31, 8% effective April 1  4% to March 31, 8% effective April 1  Same as 1962  Same as April 23, 1963 Same as 1962  Same as 1962  6% (effective April 1)  Same as 1962	Same as 1962  Same as April 23, 1963 Same as 1962  Same as 1962  Same as April 1, 1964  Same as 1962	Exempt effective March 30  Same as 1962  Same as April 23, 1963  Same as 1962  Same as 1962  Same as April 1, 1964  5% (effective April 1)  5% (effective April 1)
and patterns therefor and tooling for production machinery  sales taxes (imposed on retail volundland	5% 4% 5% 3% 4%	June 14  Same as 1962  5% (effective April 23) Same as 1962  Same as 1962  Same as 1962	Same as 1962  Same as April 23, 1963 Same as 1962  Same as 1962  6% (effective April 1)  Same as 1962	Same as 1962  Same as April 23, 1963 Same as 1962  Same as 1962  Same as April 1, 1964  Same as 1962	Same as 1962  Same as April 1, 1964  5% (effective April 1)  5% (effective
vfoundland	4% 5% 3% 4% 3% 3%	5% (effective April 23) Same as 1962 Same as 1962 Same as 1962	Same as April 23, 1963 Same as 1962 Same as 1962 6% (effective April 1) Same as 1962	Same as April 23, 1963 Same as 1962 Same as 1962 Same as April 1, 1964 Same as 1962	Same as April 23, 1963 Same as 1962 Same as 1962 Same as April 1, 1964 5% (effective April 1) 5% (effective
ra Scotia	4% 5% 3% 4% 3% 3%	5% (effective April 23) Same as 1962 Same as 1962 Same as 1962	Same as April 23, 1963 Same as 1962 Same as 1962 6% (effective April 1) Same as 1962	Same as April 23, 1963 Same as 1962 Same as 1962 Same as April 1, 1964 Same as 1962	Same as April 23, 1963 Same as 1962 Same as 1962 Same as April 1, 1964 5% (effective April 1) 5% (effective
ra Scotia  v Brunswick  pebec  ario: a) General  b) Meals and alcoholic beverages  nitoba: a) General	5% 3% 4% 3% 3% 3%	April 23) Same as 1962 Same as 1962 Same as 1962 Same as 1962	April 23, 1963 Same as 1962 Same as 1962 6% (effective April 1) Same as 1962	April 23, 1963 Same as 1962 Same as 1962 Same as April 1, 1964 Same as 1962	April 23, 1963 Same as 1962 Same as 1962 Same as April 1, 1964 5% (effective April 1) 5% (effective
v Brunswick	3% 4% 3% 3%	Same as 1962 Same as 1962 Same as 1962	Same as 1962  6% (effective April 1)  Same as 1962	Same as 1962  Same as April 1, 1964  Same as 1962	Same as 1962  Same as April 1, 1964  5% (effective April 1)  5% (effective
ario: a) General b) Meals and alcoholic beverages nitoba: a) General	3% 3%	Same as 1962	April 1) Same as 1962	April 1, 1964  Same as 1962	April 1, 1964  5% (effective April 1)  5% (effective
a) Generalb) Meals and alcoholic beverages nitoba: a) General	3%		Same as 1962		April 1) 5% (effective
b) Meals and alcoholic beverages nitoba: a) General	3%	Same as 1962 —	Same as 1962	Same as 1962	5% (effective
a) General	_	-	_		
				_	_
	_	-	-	_	_
skatchewan	5%	Same as 1962	Same as 1962	4% (effective February 20)	Same as February 20, 19
tish Columbia	5%	Same as 1962	Same as 1962	Same as 1962	Same as 1962
ANGES IN EXEMPTIONS	1		1		
ess otherwise indicated, the wing are new exemptions)		Quebec: Farm produce; commercial vessels.		Prince Edward Island: Soft drinks. Quebec: Former exemption for meals under \$1.00 raised to meals under \$1.25. Saskatchewan: Insecticides.	British Columbia: Candy; soft dring all meals.
TAX ON SERVICES	British Columbia: Telephone services.	Nova Scotia: Long distance tele phone calls.		Quebec: Hotel and motel accommodations; long distance telephone calls; telecommuni-	Ontario: Telephone servi and telecomm cations.
	TAX ON SERVICES	TAX ON SERVICES  British Columbia: Telephone ser-	TAX ON SERVICES  British Columbia: Telephone ser-  Nova Scotia: Long distance tele	TAX ON SERVICES  British Columbia: Telephone ser- Long distance tele-	TAX ON SERVICES  British Columbia: Telephone services.  British Columbia: Telephone services.  Parm produce; commercial vessels.  Farm produce; commercial vessels.  Quebec: Former exemption for meals under \$1.00 raised to meals under \$1.05.  Saskatchewan: Insecticides.  Quebec: Hotel and motel accommodations; long distance telephone calls.

<sup>1</sup> Exempt from federal sales tax.

TABLE V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1962 to 1972

1967	1968	1969	1970	1971	1972	
					1012	No.
9%]	1					
3% Effective January 1	Same as 1967	Same as 1967	Same as 1967	Same as 1967	12% Effective	1 2
12% ) Samuary 1	J				12% January 1	3
11% effective January 1	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	4
1% to March 31, 6% from April 1 to June 2,	, [	1	1	1	i	5
exempt effective June 2	1	1	1	1	1	
						6
						1
6% (effective April 1)	7% (effective April 1)	Same as	Same as	Same as	Same as	7
Same as	Same as	April 1, 1968 7% (effective	April 1, 1968 Same as	April 1, 1968 8% (effective	April 1, 1968 Same as	8
April 23, 1963 Same as 1962	April 23, 1963 Same as 1962	April 15) 7% (effective	April 15, 1969 Same as	March 19) Same as	March 19, 1971 Same as	9
6% (effective	Same as	April 4) 8% (effective	April 4, 1969 Same as	April 4, 1969	April 4, 1969	
January 1) 8% (effective	January 1, 1967 Same as	April 1) Same as	April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	10
March 17)	March 17, 1967	March 17, 1967	Same as March 17, 1967	Same as March 17, 1967	Same as March 17, 1967	11
Same as April 1, 1966	Same as April 1, 1966	Same as April 1, 1966	Same as April 1, 1966	Same as	Same as	12
Same as April 1, 1966	Same as April 1, 1966	10% (effective April 1)	Same as	April 1, 1966 Same as	April 1, 1966 Same as	13
		TAPILIT)	April 1, 1969	April 1, 1969	April 1, 1969	
5% (effective June 1)	Same as June 1, 1967	Same as June 1, 1967	Same as June 1, 1967	Same as June 1, 1967	Same as June 1, 1967	14
5% (effective June 1)	Same as June 1, 1967	Same as June 1, 1967	Same as June 1, 1967	Same as June 1, 1967	10% (effective June 1)	15
Same as February 20, 1965	5% (effective March 2)	Same as March 2, 1968	Same as March 2, 1968	Same as March 2, 1968	Same as March 2, 1968	16
Same as 1962	Same as 1962	Same as 1962	Same as 1962	Same as 1962	Same as 1962	17
leral sales tax:	Cookatahan					
Orugs and medicines; more orthopaedic	Saskatchewan:  Former exemption for	Ontario: Meals under \$2.51.	Saskatchewan: Electricity used for	Prince Edward Island: Railway rolling stock;	Newfoundland: Children's clothing.	18
appliances; production	all meals restricted to meals under \$2.00.	Repeal of exemption for industrial machinery.	heating. Repeal of exemption	commercial vessels.  New Brunswick:	Quebec: Industrial production	
machinery.		British Columbia: Newspapers and period-	for meals under \$2.00.	Building materials.	equipment.  Ontario:	
atroduction of general sales tax (for list of		icals sold over the counter; classroom			Repeal of exemption for	
ble 3 on page xx).		supplies.			draught beer, which be- comes taxable as in (b).	
tish Columbia: Draught beer.					Manitoba: Safety clothing.	
				,	Increase of rate from 5% to 10% on spirits, wines and imported beer.	
					Repeal of exemptions for production machinery	
					and vessels over 200 tons gross.	
					Saskatchewan: Meals under \$2.51.	
itoba:	New Brunswick:	Newfoundland:		British Columbia:	Nova Scotia:	
otel and motel accom- modations; telepho-	Hoteland motel accom- modations; telecom-	Hotel and motel accom- modations; telephone		Hoteland motel accom- modations.	Hotel and motel accom-	19
ne services over 45¢; telecommunications; repairs; laun-	munications. Saskatchewan:	services; telecom- munications; repairs;			modaviono:	
dry and dry-cleaning; printing, photogra-	Hotel and motel accom- modations; telephone	laundry and dry- cleaning.		1		
phy, microfilming, etc.	services; telecom- munications.	New Brunswick: Laundry and dry-cleaning.				
		Ontario: Hotel and motel accom-				
		modations.				
2 Culifornia a a						

<sup>&</sup>lt;sup>2</sup> Subject to federal sales tax at the full rate.

TABLE VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1962 to 1972

No.	Province	1962	1963	1964	1965	1966
	Newfoundland:					
1 1	Motive fuel	19¢ per gallon	Same as 1962	Same as 1962	Same as 1962	Same as 1962
	Cigarettos	Nil	Nil	1/4 of 1¢ each	)	
3	Cigarettes	Nil	Nil	1¢ to 5¢ each	Same as July 1, 1964	Same as July 1, 1964
4	Tobacco	Nil	Nil	1¢ per ½ oz. unit (effective July 1)	July 1, 1301	
	Prince Edward Island:			G2 00	Same as	Same as
5	Guselme	16¢ per gallon	18¢ per gallon (effective April 23)	Same as April 23, 1963	April 23, 1963	April 23, 1963
6	Diesel tuel	16¢ per gallon	18¢ per gallon (effective April 23)	Same as April 23, 1963	Same as April 23, 1963	Same as April 23, 1963
;	Cigarettes	1/5 of 1¢ each	1000	0 1062	Same as 1962	Same as 1962
8	Other tobacco	1¢ to 3¢ each 10%	Same as 1962	Same as 1962	Same as 1502	Danie as 1002
	Villa					
10	Nova Scotia: Gasoline	19¢ per gallon	Same as 1962	Same as 1962	Same as 1962	Same as 1962
1		oma per gollon	Same as 1962	Same as 1962	Same as 1962	Same as 1962
11 :	Diesel tuel	27¢ per gallon Nil	Nil	Nil	Nil	Nil
13 1 14	Citarettes Other topacco products	1/10 of 1¢ each	Same as 1962	Same as 1962	Same as 1962	Same as 1962
	Other control of the					
15	New Brunswick: Gasoline	18¢ per gallon	Same as 1962	Same as 1962	Same as 1962	Same as 1962
16	Diesel fuel	23¢ per gallon	Same as 1962	Same as 1962	Same as 1962	Same as 1962
17	Aviation fuel	Nil	Nil	Nil	Nil	Nil
18	Cigarettes	1/5 of 1¢ each	)		1000	2 1069
19 20	Cigars Other tobacco products	1¢ to 3¢ each 10%	Same as 1962	Same as 1962	Same as 1962	Same as 1962
21	Quebec: Gasoline	13¢ per gallon	15¢ per gallon	)	c 16¢ per gallon	7
32	Diesel fuel	18½¢ per gallon	21¢ per gallon	Same as April 6, 1963	22¢ per gallon	Same as April 8, 1965
			(effective April 6)		(effective April 8)	Nil
3.3	Aviation fuel	Nil	Nil	Nil	Nil	Nil
24	Cigarettes	1/5 of 1¢ each	)		6/25 of 1¢ each	Same as
25	Cigars	10% (when over 5¢)	Same as 1962	Same as 1962	12% (when over 5¢)	April 8, 1965
26	Manufactured tobacco	10%			(effective April 8)	J
	Ontario:					11
27	Motive fuel	13¢ per gallon	Same as 1962	15¢ per gallon	Same as	16¢ per gallon 22¢ per gallon
28	Aviation fuel	18½¢ per gallon Nil	Nil	21½¢ per gallon (effective February 13) Nil	February 13, 1964	(effective April
2						
20	Cignieltes	Nil	Nil	Nil	Nil	1/20 of 1¢ each April 1; 1/10 of from April 1
30						
30 31 32	Cigats. Tobacco	Nil	Nil	Nil Nil	Nil Nil	1/5 of 1¢ per 5

Note: The taxes on motive fuels do not apply in all instances. Generally speaking all provinces provide either complete or partial exemptions for m fuels used in farming operations. Similarly, several provinces provide either complete or partial exemptions for motive fuels used in the commercial fishe See Table 5 "Miscellaneous Provincial Taxes." for a description of these exemptions.

TABLE VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1962 to 1972

1002 to 1012									
1967	1968	1969	1970	1971	1972	No.			
20¢ per gallon (effective April 1) Same as July 1, 1964	25¢ per gallon (effective April 1)  ½ of 1¢ each 2¢ to 10¢ each 2¢ per ½ oz. unit (effective April 1)	Same as April 1, 1968  Same as April 1, 1968	Same as April 1, 1968 Same as April 1, 1968	Same as April 1, 1968 Same as April 1, 1968	Same as April 1, 1968  1¢ each 1¢ to 20¢ each 4¢ per ½ oz. unit (effective June 1)	1 2 3 4			
Same as April 23, 1963 Same as April 23, 1963 Same as 1962	21¢ per gallon (effective March 20) 21¢ per gallon (effective March 20) 2/5 of 1¢ each 20% 20% (effective March 20)	Same as March 20, 1968 Same as March 20, 1968  Same as March 20, 1968	Same as March 20, 1968 Same as March 20, 1968 Same as March 20, 1968	Same as March 20, 1968 Same as March 20, 1968 Same as March 20, 1968	Same as March 20, 1968 25¢ per gallon (effective April 19)  Same as March 20, 1968	5 6 7 8 9			
Same as 1962 Same as 1962 Nil Same as 1962	Same as 1962 Same as 1962 Nil Same as 1962	21¢ per gallon (effective April 4) Same as 1962 Nil 4/10 of 1¢ each (effective April 4)	Same as April 4, 1969 Same as 1962 Nil  Same as April 4, 1969	Same as April 4, 1969 Same as 1962 3¢ per gallon (effective August 1) Same as April 4, 1969	Same as April 4, 1969 Same as 1962 Same as August 1, 1971 Same as April 4, 1969	10 11 12 13 14			
Same as 1962 Same as 1962 Nil Same as 1962	19¢ per gallon (effective April 1) Same as 1962 Nil	20¢ per gallon (effective April 1) Same as 1962 Nil 2/5 of 1¢ each 1¢ for each 5¢	Same as April 1, 1969 Same as 1962 Nil Same as	Same as April 1, 1969 Same as 1962 3¢ per gallon (effective May 15) Same as	Same as April 1, 1969 Same as 1962 Same as May 15, 1971 Same as	15 16 17 18 19			
Same as April 8, 1965 Nil	19¢ per gallon 25¢ per gallon 3¢ per gallon (effective March 28) 2/5 of 1¢ each	4¢ per oz. (effective April 1)  Same as March 28, 1968	Same as March 28, 1968	April 1, 1969  Same as March 28, 1968	April 1, 1969  Same as  March 28, 1968	21   22   23			
Same as April 8, 1965	20% (when over 10¢) 20% (effective March 28)  18¢ per gallon	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	24 25 26			
April 1, 1966  Nil  Same as	24¢ per gallon  3¢ per gallon  (effective March 13)  3/10 of 1¢ each	Same as March 13, 1968 2/5 of 1¢ each	Same as March 13, 1968	Same as March 13, 1968	19¢ per gallon 25¢ per gallon (effective March 29) 3¢ per gallon 0.46 of 1¢ each	27 28 29 30			
April 1, 1966	½ of 1¢ per 5¢ 2½¢ per oz. (effective March 13)	½ of 1¢ per 5¢ 2½¢ per oz. (effective March 5)	Same as March 5, 1969	Same as March 5, 1969		31 32			

TABLE VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1962 to 1972 - Concluded

	1962 to 1972 - Concluded								
No.	Province	1962	1963	1964	1965	1966			
	Manitoba:								
1	Gasoline	14¢ per gallon	1	17¢ per gallon					
2	Motive fuel	17¢ per gallon	Same as 1962	20¢ per gallon	Same as	Same as			
3	Aviation fuel	Nil	Nil	2¢ per gallon (effective October 19)	October 19, 1964	October 19, 196			
		Nil	1/5 of 1¢ each	2/5 of 1¢ each	)  }				
4	Cigarettes	Nil	1¢ to 5¢ each	1¢ to 10¢ each	Same as	Same as			
5	Cigars		1¢ per ½ oz.	2¢ per ½ oz.	October 19, 1964	October 19, 196			
0	Manufactured tobacco	7412	(effective April 27)	(effective October 19)	J				
	Saskatchewan:								
7	Gasoline	14¢ per gallon	]		1000	15¢ per gallon			
8	Diesel fuel	17¢ per gallon	Same as 1962	Same as 1962	Same as 1962	18¢ per gallon (effective March )			
9	Aviation fuel	Nil	Nil	Nil	Nil	Nil			
10	Cigarettes	Nil	Nil	Nil	1/5 of 1¢ each				
11	Cigars	Nil	Nil	Nil	1¢ to 5¢ each	Same as April 1, 1965			
12	Manufactured tobacco	Nil	Nil	Nil	1¢ per oz.				
					(effective April 1)				
	Alberta:								
13	Gasoline	12¢ pergallon	Same as 1962	Same as 1962	Same as 1962	Same as 1962			
14	Diesel fuel	14¢ per gallon	J same as 1992	200					
15	Aviation fuel	Nil	Nil	Nil	Nil	Nil			
16	Cigarettes	Nil	Nil	Nil	Nil	Nil			
17	Cigars	Nil	Nil	Nil	Nil	Nil			
18	Tohacco	Nil	Nil	Nil	Nil	Nil			
	Daitigh Columbia								
19	British Columbia: Gasoline	13¢ per gallon	7						
20	Motive fuel		Same as 1962	Same as 1962	Same as 1962	Same as 1962			
21	Aviation fuel	1		1					
						nra1			
22	Cigarettes		Nil	Nil	Nil	Nil			
23			Nil	Nil	Nil	Nil Nil			
24	Other tobacco products	Nil	Nil	Nil	Nil	IN 11			
	Yukon;								
25		. 7¢ per gallon	8¢ per gallon	9¢ per gallon	Same as 1964	Same as 1964			
20	Aviation fuel	NT: 1	NT - 3	NT: 1	NY: 1	Nil			
26	Aviation ruel	Nil	Nil	Nil	Nil	TATT			
	Northwest Territories:								
27	Gasoline	. 3¢ per gallon	4½¢ per gallon	6¢ per gallon	7½¢ per gallon	9¢ per gallon			
28	Diesel fuel	. 2¢ per gallon	2½¢ per gallon	3¢ per gallon	3½¢ per gallon	4¢ per gallon			
29	Avantian fuel	NTCI	11/4			Same as 1963			
29	Aviation fuel	Nil	1½¢ per gallon	Same as 1963	Same as 1963	Same as 1900			
	*				1				

TABLE VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1962 to 1972 — Concluded

			Concluded			
1967	1968	1969	1970	1971	1972	No.
						1
Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	2
					10, 1001	3
Same as	G	_			3/5 of 1¢ each	4
October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	1¢ to 15¢ each	5
					3¢ per ½ oz. (effective May 1)	6
Same as	17¢ per gallon	Same as	19¢ per gallon			7
March 15, 1966	20¢ per gallon (effective March 1)	March 1, 1968	21¢ per gallon	Same as	Same as	8
Nil	2¢ per gallon (effective April 2)	Same as April 2, 1968	4¢ per gallon (effective March 3)	March 3, 1970	March 3, 1970	9
1/5 of 1¢ each	8/25 of 1¢ and 9/25 of 1¢ each	]	(circonve maion 3)			10
1¢ to 5¢ each	1¢ to 10¢ each	Same as	Same as	Same as	Same as	1
1¢ per ½ oz.	2¢ per ½ oz. (effective March 1)	March 1, 1968	March 1, 1968	March 1, 1968	March 1, 1968	11
	(enective march 1)	)				
Same as 1962	15¢ per gallon					13
Nil	17¢ per gallon 3¢ per gallon	Same as June 1, 1968	Same as June 1, 1968	Same as June 1, 1968	Same as June 1, 1968	14
Nil	(effective June 1) Nil	0/05 -614				15
Nil	Nil	8/25 of 1¢ each 1¢ to 9¢ each	Same as	Same as	Samo as	16
Nil	Nil	64¢ per lb.	June 30, 1969	June 30, 1969	Same as June 30, 1969	17
		(effective June 30)	J			
i				i		
Same as 1962	Same as 1962	Same as 1962		15¢ per gallon	]	19
1000	Dame as 1902	Same as 1902	Same as 1962	17¢ per gallon 3¢ per gallon	Same as February 5, 1971	20
Nil	Nil	37/1	2211	(effective February 5)	J	
Nil	Nil	Nil Nil	Nil Nil	8/25 of 1¢ each 1¢ to 9¢ each	Same as	22
Nil	Nil	Nil	Nil	2¢ per ½ oz.	February 5, 1971	24
				(effective February 5)	}	
Somo 1004						
Same as 1964	4¢ per gallon (effective January 23)	Same as January 23, 1968	Same as January 23, 1968	14¢ per gallon	Same as 1971	25
Nil	Nil	Nil	Nil	2¢ per gallon (effective April 1)	Same as April 1, 1971	26
10¢ per gallon	11¢ per gallon	12¢ per gallon	Some as 1000	144 222 221		0.77
	(effective April 1)		Same as 1969	14¢ per gallon (effective April 1)		27
6¢ per gallon	8¢ per gallon (effective April 1)	10¢ per gallon (effective April 1)	12¢ per gallon (effective April 1)	15¢ per gallon (effective April 1)	Same as April 1, 1971	28
Same as 1963	Same as 1963	Same as 1963	Same as 1963	2½¢ per gallon (effective April 1)		29

TABLE VII. Historical Summary of the Federal Taxes on Alcoholic Beverages and Tobacco Products, 1962 to 1972

	1962	1963 to 1966 inclusive	1967	1968 to 1972 inclusive
1. Beer	Excise duty of 38¢ per gallon	Same as 1962	Increased to 42¢ effective December 1	Same as December 1, 19
2. Spirituous beverages other than Canadian brandy	Excise duty of \$13.00 per proof gallon	Same as 1962	Increased to \$14.25 effective December 1	Same as December 1, 19
3. Canadian brandy	Excise duty of \$11.00 per proof gallon	Same as 1962	Increased to \$12.25 effective December 1	Same as December 1, 19
4. Spirits sold to druggists and used in the preparation of prescriptions	Excise duty of \$1.50 per proof gallon	Same as 1962	Same as 1962	Same as 1962
5. Imported spirits taken into bonded manufactory	Excise duty of 30¢ per proof gallon (in addition to other duties)	Same as 1962	Same as 1962	Same as 1962
6. Wines:  (a) Containing 7% or less of absolute alcohol by volume	Excise tax of 25¢ per gallon	Same as 1962	Increased to 27½¢ effective December 1	Same as December 1, 19
(b) Non-sparkling and containing more than 7% of absolute alcohol by volume but not over 40% of proof spirit	Excise tax of 50¢ per gallon	Same as 1962	Increased to 55¢ effective December 1	Same as December 1, 19
(c) Champagne and other sparkling wines	Excise tax of \$2.50 per gallon	Same as 1962	Increased to \$2.55 effective December 1	Same as December 1, 19
7. Cigarettes	Excise tax of 2½¢ per 5 cigarettes plus excise duty of \$4 per 1,000 cigarettes weighing less than 3 lb. per 1,000 or \$5 per 1,000 cigarettes weighing more than 3 lb. per 1,000.	Same as 1962	Increase of excise tax to 3¢ per 5 cigarettes effective December 1	Same as December 1, 19
8. Cigars	Excise tax of 15% plus excise duty of \$2 per 1,000 cigars	Same as 1962	Increase of excise tax to 17½% effective December 1	Same as December 1, 19
9. Manufactured tobacco	Excise tax of 80¢ per lb. plus excise duty of 35¢ per lb.	Same as 1962	Increase of excise tax to 90¢ per lb. effective December 1	Same as December 1, 19
10. Canadian raw leaf tobacco	Excise duty of 10¢ per lb.	Same as 1962	Same as 1962	Same as 196:

Notes: 1. All goods subject to federal excise tax and/or duty are also subject to the federal manufacturers' sales tax; however, while the manufact sales tax is applicable to excise duty, it is not levied on excise tax.

2. Excise duties and certain excise taxes do not apply to imported commodities; the customs duty rates applicable to imported products are however, to take account of these excises.



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# Principal taxes and rates

EDERAL, PROVINCIAL

AND LOCAL GOVERNMENTS

1973





STATISTICS CANADA
Public Finance Division

# PRINCIPAL TAXES AND RATES

# FEDERAL, PROVINCIAL AND LOCAL GOVERNMENTS

1973

Published by Authority of The Minister of Industry, Trade and Commerce

January 1974 4-2101-504

Price: \$1.00



## TABLE OF CONTENTS

Introduction and General Commentary	Page 5
PART I. Income, Capital, Gift and Inheritance Taxes	
Table	
1. Income Taxes levied by the Federal Government	11
2. Income Capital, Gift and Inheritance Taxes levied by Provincial Governments	14
PART II. General Sales Taxes	
3. General Sales Taxes levied by the Federal and Provincial Governments	22
PART III. Other Important Taxes levied by the Federal and Provincial Governments	
4. Excise Duties and Excise Taxes levied by the Federal Government	31
5. Miscellaneous Provincial Taxes:	
Amusement Taxes	32
Motive and Other Fuel Taxes  Motor vehicle Registrations and Driving Permits	32 34
Insurance Premium Taxes	36
Mining Taxes	38
Race Track Taxes Tobacco Taxes	38
Hospitalization and Medical Care Premiums and Payroll Taxes  Other Taxes (alcoholic beverages taxes, land transfer taxes, meals and lodging taxes,	40 40
telecommunications taxes, logging taxes, etc.)	42
PART IV. Real Property Taxes	
Provincial and Local Covernments	45
Provincial and Local Governments	47
PART V. Historical Summaries of Selected Taxes	
Table	
I. Historical Summary of the Personal Income Taxes levied by the Federal Government, 1963 to 1973	52
II. Historical Summary of the Personal Income Taxes levied by the Province of Quebec, 1963 to 1973	54
III. Historical Summary of the Personal Income Taxes levied by the Provinces Other than Quebec, 1963 to 1973	56
IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments, 1963 to 1973	56
V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1963 to 1973	58
VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1963 to 1973	62
VII. Historical Summary of the Federal Taxes on Alcoholic Beverages and Tobacco Products, 1963 to 1973	66



### INTRODUCTION

The purpose of this publication is to present a concise summary of the structures of the more important taxes imposed in Canada.

The format of the report has been designed to facilitate comparison of similar taxes in different jurisdictions.

The publication is divided into five parts, as follows:

Part I: Income, Capital Gift and Inheritance
Taxes

Part II: General Sales Taxes

Part III: Other Important Taxes Levied by the Federal and Provincial Governments

Part IV: Real Property Taxes

Part V: Historical Summaries of Selected Taxes

The publication takes account of all tax changes announced prior to July 1, 1973.

### **GENERAL COMMENTARY**

Canada is a federal state with a central government and ten provincial governments. In 1867 the principal colonies of the British Crown in North America joined together to form the nucleus of a new nation, and the British North America Act of that year became its written constitution. This statute created a central government with certain powers while continuing the existence of political subdivisions called provinces with powers of their own.

Under the British North America Act the Parliament of Canada has the right to raise "money by any mode or system of taxation" while the provincial legislatures are restricted to "direct taxation within the province in order to the raising of a revenue for provincial purposes". Thus the provinces have a right to share only in the field of direct taxation while the federal government is not restricted in any way in matters of taxation. The British North America Act also empowered the provincial legislatures to make laws regarding "municipal institutions in the province". This means that municipalities derive their incorporation with its associated powers, fiscal and otherwise, from the provincial government concerned. Thus, municipalities are also limited to direct taxation.

A direct tax is generally recognized as one "which is demanded from the very person who it is intended or desired should pay it". As a result of court decisions, the concept enjoys fairly broad interpretation and allows the provinces to impose income taxes, general sales taxes at the retail level, succession duties, gift taxes, taxes on paid-up or utilized capital and an assortment of other levies on ultimate purchasers or users of goods and services. In turn, municipalities, acting under the guidance of provincial legislation, tax real property, water consumption and places of business. The federal government imposes direct taxes on income and indirect taxes

such as customs duties and manufacturers' sales and excise levies.

The increasing use by both the federal and the provincial governments of their rights in the field of direct taxation in the 1930's resulted in duplication of administration and in some severe tax levies. In 1941, a federal-provincial tax-sharing agreement was concluded to help finance the war effort. Its principal aim was to ensure an orderly imposition of direct taxes. The success of this initiative was such that a similar scheme was worked out between the federal government and most of the provinces after the end of the war. Since then, tax-sharing agreements have been periodically negotiated between the two levels of government, normally for five-year periods. Under the earlier agreements, the participating provinces undertook, in return for compensation, not to impose, or permit their municipalities to use certain of the direct taxes. Under the arrangements which prevailed between 1962 and 1972, the federal government partially withdrew from the income and estate tax fields to allow for the imposition of corresponding provincial levies. The mechanism used in the process consisted in abating by a given percentage federal tax otherwise payable thus making it possible for the provinces to impose corresponding taxes equal to or somewhat higher than the abatement provided.

Under the present arrangements, the abatement mechanism has largely been abandoned as far as personal income tax is concerned. In this field, it exists only to help provide fiscal compensation to Quebec for having assumed full responsibility for programs which, in the other provinces, are financed partially or entirely by the

<sup>&</sup>lt;sup>1</sup> The federal government also remitted to the provinces without succession duties 75% of its estate tax collections in respect of decedents domiciled in those provinces.

federal government; the Quebec abatement is equal to 24 percentage points of the basic federal tax. In the other provinces, provincial personal income tax is expressed as a percentage of basic federal tax but there is no abatement of the federal levy. Under the present fiscal arrangements, the federal government maintains the abatement which prevailed between 1967 and 1972 in the field of corporation income tax to facilitate the imposition of corresponding provincial levies. Thus federal corporation income tax rates continue to be subject to an abatement of 10 % in all provinces.

The present fiscal arrangements became operative on April 1, 1972 and will run until March 31, 1977. As part of these arrangements, the federal government has entered into tax collection agreements under which it collects the provincial personal income taxes for all provinces except Quebec, the provincial corporation income taxes for all provinces except Ontario and Quebec, the provincial gift taxes for all provinces except

Prince Edward Island, Quebec and Alberta, and the provincial succession duties for Newfoundland, Nova Scotia, New Brunswick, Manitoba and Saskatchewan.<sup>2</sup>

The 1972-77 arrangements also maintain the situation that prevailed during the period 1967-72 with regard to the sharing of the federal corporation income tax on privately-owned power utilities; 95 % of the federal revenue from this source continues to be remitted to the provinces. A new feature of the present arrangements is that tax-sharing has been extended to the taxation of corporation undistributed income; 20 % of the federal revenue from this source is turned over to the provinces.

#### NOTE

In the tables of this publication, the statutory authority under which taxes are levied at the federal and provincial levels of government is provided. The proper name of the statute or revised statute is ended by a semicolon. Following in order are the years during which the statute or revised statute was published, its chapter, and a statement as to whether there have been subsequent admendments to it; i.e., Excise Tax Act; R.S.C. 1970, c.E13 and amendments.

<sup>&</sup>lt;sup>2</sup> Prince Edward Island and Alberta do not impose gift taxes or succession duties. Prince Edward Island enacted gift tax and succession duty legislation in 1972 but the statutes concerned were rescinded in 1973 retroactively to January 1, 1972 (see the commentary of Part I "Income, Capital, Gift and Inheritance Taxes").

## PART I

INCOME, CAPITAL, GIFT AND INHERITANCE TAXES



## INCOME TAXES LEVIED BY THE FEDERAL GOVERNMENT

#### General

Under the federal Income Tax Act, tax is levied on the taxable income of individuals and corporations resident in Canada and on the taxable income of non-residents employed or carrying on business in Canada. For tax purposes income encompasses salaries, wages, commissions and all other forms of personal remuneration as well as returns on investment, profits arising from industrial and/or commercial activities, and half of capital gains. The federal Income Tax Act also imposes a tax on certain payments to non-residents. Canada has entered into income tax conventions with several countries to avoid double taxation of the same income and prevent fiscal evasion.

The taxation of capital gains is a relatively new development in Canada. It followed from the general reform of the federal income tax system that became operative on January 1, 1972. Half of capital gains realized in a taxation year must be brought into income to be taxes at normal personal or corporation rates. Half of capital losses can be deducted from the capital gains brought into income. If an individual does not have sufficient capital gains to offset his capital losses, he can reduce his income from other sources by as much as \$1,000 of deductible capital losses. Gains are generally taxable and losses deductible when a taxpayer sells an asset, makes a gift or dies. Exempt fromtaxation is any gain realized by a taxpayer in selling his home (together with surrounding land of one acre or less) and any gain on the sale of personal property at a price that does not exceed \$1,000. Also exempt from taxation is any farm that passes at death to a child or children of the deceased and which continues to be used for agricultural purposes. For other dispositions of farm property, farmers have a choice of being exempt on any gain realized on the sale of the principal residence or, alternatively, of deducting \$1,000 per year of possession from the gain realized on the sale of the entire farm property including the principal residence.

Personal income was further broadened under the federal income tax reform by the inclusion of the following amounts:

- (a) payments from income maintenance insurance plans to which the taxpayer's employer has made a contribution,
- (b) unemployment insurance benefits,
- (c) allowances paid under the Adult Occupational Training Act (not including the portion for personal or living expenses while away from home for training),
- (d) allowances paid under the Textile and Clothing Board Act.
- (e) scholarships, fellowships and bursaries (subject to a \$500 exemption), and
- (f) amounts contributed on an employee's behalf to a public medical care plan.

The federal income tax reform also melded the various imposts previously levied on personal income into a single tax at graduated rates which ranged from

17% on the first \$500 of taxable income to 47% on taxable income in excess of \$60,000 for the 1972 taxation year<sup>1</sup>. For the 1973 taxation year, the initial tax rate was to be reduced to 15%. For the 1974 taxation year, it was to be brought down to 12%. For the 1975 and 1976 taxation years, it was to be further reduced to 9% and 6% respectively. Thus the rates of the basic federal tax in 1976 were to be as follows:

#### 6% on the first \$500 of taxable income

					MARGO I	~ ^^	.001140	
\$	30	on	\$ 500	plus	18%	on	next	\$ 500
	120	66	1,000	66	19%	6.6	66	1,000
	310	66	1,000	4.6	20%	66	66	1,000
	510	66	3,000	6.6	21%	66	66	2,000
	930	66	5,000	66	23%	66	66	2,000
	1,390	6.6	7,000	4.6	25%	6.6	66	2,000
	1,890	44	9,000	66	27%	66	66	2,000
	2,430	6.6	11,000	66	31%	66	66	3,000
	3,360	66	14,000	66	35%	66	6.6	10,000
	6,860	66	24,000	66	39%	66	66	15,000
1	2,710	66	39,000	66	43%	6.6	6.6	21,000
2	1,740	6.6	60,000	66	47%	on	the e	,

A 24% abatement of the basic federal personal income tax is provided for individuals who reside in Quebec. The rates of the corresponding provincial levy are adjusted to take advantage of this abatement. This partial federal withdrawal from the personal income tax field in Quebec comes about as part of an arrangement whereby the province assumes in return for a combination of additional personal income tax and special general purpose transfer payments the full cost of supplying services which in the other provinces are either provided by the federal government (youth allowances) or are financed jointly by federal and provincial governments (hospitalization etc.).

The federal income tax reform brought about several changes in the taxation of corporation income. Most of them stem from the distinctions which it made among corporations. The most important of these distinctions is that between private and public corporations. A public corporation is defined as a corporation whose shares are listed on a prescribed Canadian stock exchange or which meets certain conditions and either is designated by the Minister of National Revenue as or elects to be a public corporation. A private corporation is any corporation that is not a public corporation or that is not controlled by a public corporation. The other distinctions made among corporations relate to whether they have business or investment income and whether they are Canadian or foreign controlled.

The rates which, as part of the federal tax reform, were imposed on the taxable income of public corporations are as follows:

(a) Business income: 50% for the 1972 taxation year (reducing by one percentage point annually thereafter to 46% in 1976)

<sup>&</sup>lt;sup>1</sup> The 1972 tax liability established from this rate schedule was reduced by 3% under special tax cut provisions enacted in 1971.

- (b) Dividend income: exempt unless paid out of the designated surplus of a corporation controlled by the receiving corporation
- (c) Other investment income: 50% for the 1972 taxation year (reducing by one percentage point annually thereafter to 46% in 1976)

The rates that were applied to the taxable income of private corporations are as follows:

- (a) Business income: 25% on the first \$50,000 and 50% on the taxable income in excess of \$50,000 of active Canadian-controlled corporations<sup>2</sup> (the 50% rate applied for the 1972 taxation year and reduces by one percentage point annually thereafter to 46% in 1976); 50% for the 1972 taxation year (reducing by one percentage point annually thereafter to 46% in 1976) for other private corporations.
- (b) Dividend income: usually exempt if received from a subsidiary corporation; 33 1/3% if received from non-subsidiary corporations but refunded if dividends are paid to shareholders (for every \$3 of dividend paid, \$1 of tax is refunded).
- (c) Other investment income: 50% for the taxation year 1972 (reducing by one percentage point annually thereafter to 46% in 1976) subject to the provision that half the tax paid is refunded when dividends are paid to shareholders (for every \$3 of dividend paid, \$1 of tax is refunded).

The federal tax reform provided special rules for the following types of corporation:

- (a) Investment corporations: taxed at 25% on all their taxable income
- (b) Mutual fund corporations: taxed as public corporations except that the tax paid on their capital gains is refundable as the corporations pay dividends from capital gain income or redeem their shares
- (c) Mutual fund trusts: the tax paid on their capital gains is refundable as is the case for mutual fund corporations.

The above rates with the exception of the special levy of  $33\ 1/3\%$  imposed on the investment income of private corporations are reduced by 10 percentage points in all provinces to allow for the imposition of corresponding provincial levies.

### The 1972 and 1973 Federal Budgets

The 1972 federal budget was brought down on May 8, 1972. It introduced a number of changes in federal income taxation. In the area of personal income tax, it increased from \$650 to \$1,000 the special exemption for taxpayers of 65 years of age or over. It also provided an exemption of \$50 a month for students in full-time attendance in post secondary education institutions. The exemption was to be available to students or to parents or relatives who support them (any taxable income earned by a student must be

deducted from the exemption claimed by a parent or a relative). These changes were to be effective from January 1, 1972. In the area of corporation income tax, the budget announced that the general rate applicable to manufacturing and processing income earned in Canada would be reduced to 40% and that the special rate applicable to the first \$50,000 of business income of Canadian private companies would be reduced to 20% where such income was derived from manufacturing and processing operations in Canada. These changes were to become effective on January 1, 1973. The budget also provided for the full depreciation in two years of machinery and equipment purchased after May 8, 1972 by Canadian manufacturing and processing concerns.

The tax changes introduced by the 1972 budget were not sanctioned in 1972. The Twenty-Eighth Parliament was dissolved in September 1972 to pave the way for a general election and all bills that were still under consideration at that time including that pertaining to the income changes introduced by the 1972 budget automatically passed away from the legislative scene.

A new bill covering those tax changes introduced by the 1972 budget that pertained to personal income tax was brought before the newly elected Twenty-Ninth Parliament in early 1973 and enacted with retroactive effect to January 1, 1972.

The 1973 federal budget was presented on January 19, 1973. It proposed significant changes in personal income taxation. First it announced that the exemptions for single and married taxpayers would be raised from \$1500 and \$2850 to \$1600 and \$3000 respectively for the 1973 taxation year. It added that in 1974 and subsequent taxation years the principal exemptions would be raised and the taxable income ranges enlarged each year by the application of a factor established by reference to the increase in the consumer price index in the immediately preceding year. Secondly it announced that the basic personal income tax would be cut by 5% with minimum relief of \$100 and maximum relief of \$500 effective January 1, 1973.3

The 1973 federal budget also referred to the corporation income tax changes introduced but not passed in the previous year and let it be understood that they would be submitted again for legislative approval. A significant modification was announced, however, in the format of the accelerated depreciation proposal for Canadian manufacturing and processing concerns; this tax relief was no longer to be of unlimited duration but to be restricted instead to the period May 9, 1972 to December 31, 1974.

The personal income tax changes introduced by the 1973 federal budget and the corporation income tax changes proposed by the 1972 and 1973 federal budgets were brought before Parliament in June 1973 and enacted into law.

<sup>&</sup>lt;sup>2</sup> The 25% rate on the first \$50,000 of taxable income of an active Canadian-controlled corporation is available until taxable income of \$400,000 is accumulated.

<sup>&</sup>lt;sup>3</sup> This personal income tax cut was to replace the temporary reduction of 3% of basic federal tax which had been provided from July 1, 1971 to December 31, 1972.

TABLE 1. Income Taxes levied by the Federal Government

Category	Statutory authority	Basis of measurement of tax	Rate	Exemptions, deductions, tax credits, etc.
come tax — Indi-	Income Tax Act; S.C. 1970-71, C. 63 and amendments	Taxable income of individuals. Income subject to tax includes half of capital gains. Half of capital losses are deductible from capital gains brought into income and up to \$1,000 of capital losses can be deducted from other income subject to tax.	Personal income tax schedule:  15% on the first \$500 of taxable income \$ 75 on \$ 500 plus 18% on next \$ 500 1665 " 1,000 " 19% " " 1,000 555 " 3,000 " 21% " " 2,000 975 " 5,000 " 23% " " 2,000 1,435 " 7,000 " 25% " " 2,000 1,935 " 9,000 " 27% " " 2,000 3,405 " 14,000 " 31% " " 10,000 6,905 " 24,000 " 39% " " 15,000 12,755 " 39,000 " 43% " " 21,000 21,785 " 60,000 " 47% " excess	Main exemptions and deductions from net income to arrive at "taxable income" are:  Single taxpayer
rome tax - Cor- corations	Income Tax Act	Manufacturing and processing income.  Other business income.  Dividend income.	Public corporations: 40%  Canadian-controlled private corporations: 20% on the first \$50,000 and 40% on the excess.  Public corporations: 49%  Canadian-controlled private corporations: 25% on the first \$50,000 and 49% on the excess.  Public corporations: generally exempt.  Private corporations: exempt if received from subsidiary corporations; 33 1/3% if received from other corporations (refunded as dividends are paid to shareholders).	tax with minimum of \$100 and maximum of \$500 is granted to all taxpayers in 1973.  Canadian-controlled manufacturing and processing concerns can fully depreciate in two years the production machinery and equipment which they acquire during the period 9 May 1972 to 31 December 1974.  There is an abatement of 10% of total taxable income earned in the provinces to make room for the imposition of provincial levies.
		Other investment income.  Profits of non-resident corporations carrying on business in Canada.	<ul><li>49% (half the tax paid by private corporations is refunded as dividends are paid to shareholders).</li><li>15% (in addition to liability to ordinary corporation income tax).</li></ul>	Deductions from taxable income earned in Canada: Federal and provincial income taxes and allowance in respect of net increases in business
hholding tax on ayments to non- esidents	Income Tax Act	Investment income of non-residents.	General rate — 15% on interest, dividends, management fees, rents, royalties, alimony, patronage dividends, and pension payments.  10% on dividends paid by a corporation "having a degree of Canadian ownership" (25% of voting equity stock), and on rentals of motion picture films and TV tapes.	investment in Canada.  Exemptions:  Interest on bonds or obligations issued after April 15, 1966 by the Government of Canada or any of the provinces, by any agent of a province, educational institution or hospital with provincial guarantee or by any local government established under provincial law.  Interest on certain bonds issued before December 20, 1960.  Interest payments to certain non-resident exempt institutions.

<sup>&</sup>lt;sup>1</sup> See commentary on page 5, re Federal-Provincial Fiscal Arrangements.

## INCOME, CAPITAL, GIFT AND INHERITANCE TAXES LEVIED BY PROVINCIAL GOVERNMENTS

### **Income and Capital Taxes**

In every province, a tax is levied on the income of individuals who reside or, in the case of non-residents, who earn income from sources within provincial boundaries. In all provinces except Quebec, the levy is expressed as a percentage of the corresponding basic federal tax<sup>4</sup> and is collected by the federal government under the terms of agreements with the provinces. In Quebec, the tax is imposed at graduated rates on taxable income and is collected by the provincial government.

The personal income tax rates of the provinces other than Quebec vary from 30.5% (in Ontario and British Columbia) to 42.5% (in Manitoba) of the corresponding basic federal tax. The Quebec impost starts at 10% on the first \$2,000 of taxable income and rises to 28% on taxable income in excess of \$60,000.

The personal income tax system of the province of Ouebec differs somewhat from that of the federal government. The basic exemptions of the Quebec system are \$1,500 for a single taxpayer and \$2,850 for a married taxpayer. The corresponding exemptions of the federal system are to rise to \$1,600 and \$3,000 respectively for 1973 and to be escalated for 1974 and each subsequent year by a factor established by reference to the annual increase in the consumer price index. The special exemptions for a taxpayer aged 65 years or over and for a taxpayer who is blind or confined to a wheelchair are set at \$650 under the Quebec system and at \$1,000 under the federal system. The Quebec system provides no exemption for a dependent child eligible for family allowances; the federal system allows an exemption of \$300 for such a a child.5 The Quebec system differs from the federal system in another respect in that it completely relieves from tax individuals whose income does not exceed certain amounts. The 1973 Quebec budget raised these amounts from \$2,000 to \$2,500 for a single taxpayer and from \$4,000 to \$5,000 for a married taxpayer.

The other provinces to make personal income tax changes in 1973 were Ontario and Saskatchewan. Ontario allowed the temporary tax cut of 3% that it had enacted in 1971 to terminate with the end of 1972 thus causing the rate of its levy to rise from 29.585% to

30.5% of the corresponding basic federal tax effective January 1, 1973. The province countered this tax increase by the introduction of tax credits of 1% of personal exemptions (to serve as a credit in respect of sales tax) and \$100 for each taxpayer aged 65 or over. These credits supplement the Ontario real property tax credit<sup>6</sup> and are the object of the same adjustment in respect of taxable income to arrive at the net amount of relief provided (i.e. from aggregate gross tax credits claimed an amount equal to 1% of taxable income is deducted to establish the effective tax reduction). Saskatchewan increased the rate of its impost from 37.0% to 40.0% of the corresponding basic federal tax effective January 1, 1973.

All provinces levy a tax on corporation taxable income derived from activities carried on within their jurisdictions. In provinces other than Quebec and Ontario, the provincial corporation income tax is imposed on the same base as that established for federal corporation income tax purposes; these provinces have entered into agreements with the federal government for the federal collection of their levy. In Quebec and Ontario, the determination of corporation taxable income follows closely but not exactly the federal rules; the two provinces collect their own levy.

Two provinces increased the rate of their corporation income tax in 1973. Saskatchewan raised it from 11% to 12% and British Columbia from 10% to 12%; in both cases the changes were made effective from January 1, 1973. Quebec announced a change in the method used by corporations in making their corporation income tax remittances: starting in May 1973, these remittances will be made monthly rather than bimonthly and the full liability for a particular taxation year will have to be discharged by the end of the third month following the conclusion of that year. This change brings the process of making remittances in respect of Quebec corporation income tax in line with the procedure followed with regard to the corresponding federal levy.

Certain provinces also levy a tax on the paid-up or utilized capital of corporations operating within their boundaries. Prior to 1973, only Quebec and Ontario had taxes of this kind. British Columbia entered the field in 1973 with a levy of 1/10 of 1% on utilized capital that became effective on January 1, 1973. The rate of the Ontario tax was doubled in 1973 passing from 1/10 to 1/5 of 1% and the application of the tax was extended to the paid-up capital of banks and certain transportation and communication companies that had previously

<sup>&</sup>lt;sup>4</sup> The basic federal tax is the amount of tax computed as per the graduated rate schedule appearing on page 11 before deduction of any federal tax cut.

<sup>&</sup>lt;sup>5</sup> Instead of providing a personal income tax exemption for a dependent child eligible for family allowances, the Province of Quebec pays a supplementary family allowance benefit. This benefit is paid under the terms of a program that complements the related federal program. The Quebec program provides an allowance which increases from \$30 per annum for a first child to a maximum of \$70 per annum for a sixth and each additional child. The Quebec program covers all children of less than sixteen years of age.

<sup>&</sup>lt;sup>6</sup> For a description of the Ontario real property tax credit, the reader should refer to the introduction of Part IV dealing with "Real Property Taxes".

been exempt (the special taxes which previously applied to these newly-taxed concerns were concurrently repealed).

#### Gift and Inheritance Taxes

With the withdrawal of the federal government from the gift and inheritance tax field on January 1, 1972, all provinces with the exception of Alberta signified their intention to occupy some of the vacated area. Quebec, Ontario and British Columbia already had succession duties. These three provinces enacted gift tax laws and two of them, Ontario and Quebec, raised their succession duty rates. The six other provinces cooperated in the design of a succession duty and gift tax system having a relatively high degree of uniformity from province to province. The gift taxes and succession duties of these six provinces were to be collected by the federal government. Ontario and British Columbia were to collect their succession duties but have their gift taxes collected by the federal government. Quebec was to collect its succession duties as well as its gift tax.

Significant changes were announced in provincial inheritance and gift taxation in 1973. Prince Edward Island repealed its succession duties and gift tax and made the changes retroactive to January 1, 1972. The action had the effect of cancelling the imposts from the

first day they had come into force; the monies raised thereunder during 1972 were to be returned to their payors. New Brunswick suspended the application of its succession duties and gift tax for farmers and fishermen effective March 20, 1973 and served notice that the imposts would be repealed at the end of 1973. Nova Scotia also expressed its intent to abolish its succession duties and gift tax effective April 1, 1974. Quebec increased its succession duty exemption for estates transmitted in direct line from \$100,000 to \$150,000 and repealed the surcharge that it had imposed on succession duties in 1972; these changes were made effective from January 1, 1973. The province also increased from the same date its once-in-a-lifetime exemption for any farmer making an inter vivos gift of his land to one or more of his children from \$25,000 to \$75,000. In addition it was announced that the Quebec succession duties would be reduced by 20% effective January 1, 1974. Ontario completely exempted from succession duties bequest to spouses and provided extensive relief for farms that pass at death to a child or children of the deceased and which continue to be used for agricultural purposes. The province also created a once-in-a-lifetime exemption of \$50,000 for any farmer making an inter vivos gift of hid land or other farm farm property to one or more of his children. The Ontario inheritance and gift tax changes became effective on April 13, 1973.

TABLE 2. Income, Capital, Gift and Inheritance Taxes levied by Provincial Governments

		TABLE 2. Income,	Capital, Gitt and I	mericance rance is		
No.	Category	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
1	Personal income tax: Statutory authority	The Income Tax Act; 1961(2nd session), c. 1 and amend- ments.	The Income Tax Act; 1961 (2nd session), c. 1 and amend- ments.	The Income Tax Act; S.N.S. 1967, c. 134 and amendments.	The Income Tax Act; S.N.B. 1961 (2nd session), c. 2 and amendments.	The Taxation Act; S.Q. 1972, c. 23 and amer ments.
2	Basis	Federal personal income tax.	Federal personal income tax.	Federal personal income tax.	Federal personal income tax.	Taxable income of individuals (differs from ciresponding concept for federal income t purposes in that the basic exemptions \$1,500 for a single taxpayer and \$2,850 for married taxpayer, the exemptions for an agraxpayer or a taxpayer who is blind or critined to a wheelchair are \$650, and there no exemption for a dependent child of lethan 16 years of age).
3	Rate	36.0%	36.0%	38.5%	41.5%	10% on first \$2,000 of taxable income \$ 200 on \$ 2,000 plus 11% on next \$ 1,000 310 " 3,000 " 12% " " 2,000 550 " 5,000 " 14% " " 2,000 830 " 7,000 " 16% " " 2,000 1,150 " 9,000 " 18% " " 2,000 1,510 " 11,000 " 20% " " 3,000 2,110 " 14,000 " 22% " " 10,000 4,310 " 24,000 " 24% " " 15,000 7,910 " 39,000 " 26% " " 21,000 13,370 " 60,000 " 28% on excess. In addition a special tax of 8/10 of 1% levied on net income under the authority the Health Insurance Act (1970 c. 37 amendments). This tax is subject to a ma
4	Comments					mum of \$125 if at least 3/4 of net income made up of salary and to a maximum of \$2 in other cases. Proceeds from the tax used to help finance the provincial medicare program.  No tax is payable when net income does 1 exceed \$5,000 if married or \$2,500 if singlenges.
5	Corporation income tax: Statutory authority	The Income Tax Act; 1961 (2nd session), c. 1 and amend- ments.	The Income Tax Act; 1961(2nd session), c. 1 and amend- ments.	The Income Tax Act; S.N.S.1967, c. 134 and amendments.	The Income Tax Act; S.N.B. 1961 (2nd session), c. 2 and amendments.	The Taxation Act; S.Q. 1972, c. 23 and amerments.
6	Basis	Taxable income of corporations.	Taxable income of corporations.	Taxable income of corporations.	Taxable income of corporations.	Taxable income of corporations.
7	Rate	13.0%	10.0%	10.0%	10.0%	12.0%
8	Comments					Under a separate statute, corporations inveing during the period April 1, 1971 to Ma 311, 1974 more than \$150,000 of their prolin designated areas in new technologi processes or in the production of goods yet produced in Quebec can benefit from credits ranging from 50% to 100% of amounts invested.
9	Capital tax: Statutory authority					The Corporation Tax Act; R.S.Q. 1964, c. and amendments.
10	Basis					(a) Paid-up capital of corporations. (b) Places of business.
11	Rates					(a) 1/5 of 1%. (b) \$25 to \$50.
12	Comments					Other rates and/or bases of taxation apply certain classes of corporations i.e., ine ance, loan, navigation, telegraph, telepho railway, natural gas, electricity, gasoli liquor, brewery and various public util companies.
13	Gift tax: Statutory authority	The Gift Tax Act; S.N. 1972, No. 39.		The Gift Tax Act; S.N.S. 1972, c. 9.	The Gift Tax Act; S.N.B. 1972, c. 9.	The taxation Act; S.Q. 1972, c. 23 and ame ments.
14	Basis	Aggregate taxable value of gifts made in the year.		Aggregate taxable value of gifts made in the year.	Aggregate taxable value of gifts made	
15	Rates	Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.		Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.	on gifts up to \$25,000 to 50% on	50% on gifts exceeding \$200,000.

TABLE 2. Income, Capital, Gift and Inheritance Taxes levied by Provincial Governments

		, Gift and Inheritance Taxes	levied by Provincial Gover	nments	
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	No.
he Income Tax Act; R.S.O. 1970, c. 217 and amendments.	The Income Tax Act (Manitoba); R.S.M. 1970, c. I, 10 and amend- ments.	The Income Tax Act; S.S. 1965, c. 62 and amendments.	The Alberta Income Tax Act; R.S.A. 1970, c. 182 and amendments.	The Income Tax Act; 1962, c. 27 and amendments.	1
ederal personal income tax.	Federal personal income tax.	Federal personal income tax.	Federal personal income tax.	Federal personal income tax.	2
30.5%	42.5%	40.0%	36.0%	30.5%	3
e Corporations Tax Act; R.S.O. 1970, c. 91 and amendments.	The Income Tax Act (Manitoba); R.S.M. 1970, c. I, 10 and amendments.	The Income Tax Act; S.S. 1965, c. 62 and amendments.	The Alberta Income Tax Act; R.S.A. 1970, c. 182 and amendments.	The Income Tax Act; 1962, c. 27 and amendments.	5
xable income of corporations.	Taxable income of corporations.	Taxable income of corporations.	Taxable income of corporations.	Taxable income of corporations.	6
12.0% ax credit is available equal to % of qualifying investment in aschinery and equipment pur- hased and used in Ontario uring the period April 26, 971 to March 31, 1973.	13.0%	12.0%	11.0%	12.0%	7 8
*Corporations Tax Act; R.S.O. 970, c. 91 and amendments. d-up capital of corporations.				The Income Tax Act; 1962, c. 27 and amendments.	9
of 1%.				Utilized capital of corporations.	10
					11
Gift Tax Act; S.O. 1972, T	The Gift Tax Act; S.M. 1972, c.	The Gift Tax Act; S.S. 1972, c. 48.	,	The Gift Tax Act; S.B.C. 1972,	13
regate taxable value of gifts A		Aggregate taxable value of gifts made in the year.		c. 23.  Aggregate taxable value of gifts made in the year.	14
luated from 15% on gifts up \$25,000 to 50% on gifts ex- eding \$200,000.		Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.			15

TABLE 2. Income, Capital, Gift and Inheritance Taxes levied by Provincial Governments - Concluded

	Category	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
<u>No.</u>	Gift taxes — Concluded: Exemptions	Gifts up to \$5,000 a year to a spouse and up to \$2,000 a year to any other donee with an aggregate annual maximum of \$15,000. Gifts to Canadian charitable organizations or to any government in Canada.  Testamentary gifts and gifts taking effect on the death of the donor.		Gifts up to \$5,000 a year to a spouse and up to \$2,000 a year to any other donee with an aggregate annual maximum of \$15,000. Gifts to Canadian charitable organizations or to any government in Canada.  Testamentary gifts and gifts taking effect on the death of the donor.	Gifts up to \$5,000 a year to a spouse and up to \$2,000 a year to any other donee with an aggregate annual maximum of \$15,000. Gifts to Canadian charitable organizations or to any government in Canada. Testamentary gifts and gifts taking effect on the death of the donor.	Gifts up to \$5,000 a year to a spouse. Gifts to \$2,000 a year to any other donee with a aggregate annual maximum of \$10,000.  Once-in-a-lifetime exemption of \$75,000 for ar farmer making an inter vivos gift of his lar or other farm property to one or more of hiddren.  Gifts to Canadian charitable organizations to any government in Canada.  Testamentary gifts and gifts taking effects the death of the donor.
2	Comments				Statute suspended for farmers and fishermen effective March 20, 1973.	
3	Succession duties: Statutory authority	The Succession Duty Act; S.N. 1972, No. 40.		The Succession Duty Act; S.N.S. 1972, c. 17.	The Succession Duty Act; S.N.B. 1972, c. 14.	The Succession Duties Act; R.S.Q. 1964; 70 and amendments.
4	Basis	Net value of property passing at death.		Net value of property passing at death.	Net value of property passing at death.	Net value of property passing at death.
5	Rates	Graduated from \$7,000 on the first \$50,000 of aggregate net value plus 18% on the next \$10,000 to 50% on aggregate net value in excess of \$300,000.		Graduated from 10% on the first \$10,000 of aggregate net value to 50% on aggregate net value in excess of \$300,000.	Graduated from 10% on the first \$10,000 of aggregate net value to 50% on aggregate net value in excess of \$300,000.	On estate: Direct line $-1.8\%$ to $15\%$ Collateral line $-4\%$ to $20\%$ Strangers $-10\%$ to $30\%$ On individual's share in estate: Direct line $-1\%$ to $10\%$ Collateral line $-1\%$ to $10\%$ Strangers $-2\%$ to $5\%$ .
6	Estates not subject to duties (all other estates are fully dutiable)	Estates valued at \$500,000 or less passing to a sur- viving spouse. All estates valued at \$50,000 or less.		Estates valued at \$500,000 or less passing to a surviving spouse.	Estates valued at \$500,000 or less passing to a sur- viving spouse.	Estates valued at \$150,000 or less where tirely transmitted in direct line; where tates are entirely transmitted in direct line; and their value exceeds \$150,000, succession duties must not lower their value be \$150,000; where parts of estates are trainitted in direct line and where the value any such part exceeds \$150,000, successiduties must not lower the values of the pabelow \$150,000.
7	Exemptions	\$10,000 for each child or grandchild plus an additional \$1,000 for each year that he or she is under 26 years of age (for each year under 71 years of age in the case of an infirm child or grandchild).  Bequests to Canadian charitable organizations.  Survivor benefits under the Canada and Quebec Pension Plans.  Individual bequests of \$1,000 or less.		\$10,000 for each child or grandchild plus an additional \$1,000 for each year that he or she is under 26 years of age (for each year under 71 years of age in the case of an infirm child or grandchild). Bequests to Canadian charitable organizations.  Survivor benefits under the Canada and Quebec Pension Plans.  Individual bequests of \$1,000 or less.	an additional \$1,000 for each year that he or she is under 26 years of age (for each year under 71 years of age in the case of an infirm child or grandchild). Bequests to Canadiar charitable organi- zations. Survivor benefits un- der the Canada and Quebec Pension Plans.	pension plan and reimbursements of conbutions toward such a plan.  Bequests to Canadian charitable organizatio
	8 Comments				Statute suspender for farmers and fishermen effectiv March 20, 1973.	i

TABLE 2. Income, Capital, Gift and Inheritance Taxes levied by Provincial Governments - Concluded

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	No.
l gifts to a spouse without limitation as to amount. Gifts up to \$2,000 a year to any other donee with an aggregate annual maximum of \$10,000.  Intervivos gift of his land or other farm property to one or more of his children.  Its to Canadian charitable organizations or to any government in Canada.  Stamentary gifts and gifts aking effect on the death of the donor.	spouse and up to \$2,000 a year to any other donee with an aggregate annual maximum of \$15,000.	Gifts up to \$5,000 a year to a spouse and up to \$2,000 a year to any other donee with an aggregate annual maximum of \$15,000.  Gifts to Canadian charitable organizations or to any government in Canada.  Testamentary gifts and gifts taking effect on the death of the donor.		Gifts up to \$10,000 a year to a spouse.  Gifts to any other donee up to \$2,000 a year with an aggregate annual maximum of \$10,000.  Once-in-a-lifetime exemption of up to \$10,000 in respect of an interest in real property to a child if such property is to be used in farming operations.  Gifts to charitable organizations and to any government in Canada.  Testamentary gifts and gifts taking effect on the death of the donor.	
E Succession Duty Act; R.S.O. 1970, c. 449 and umendments.	The Succession Duty Act; S.M. 1972, c. S215.	The Succession Duty Act; S.S. 1972, c. 124.		The Succession Duty Act; S.B.C. 1960, c. 27 and amendments.	3
; value of property passing at leath.	Net value of property passing at death.	Net value of property passing at death.		Net value of property passing at death.	4
estate: Direct line - 10% to 28% Collateral line - 24% to 34% trangers - 35% to 70% individual's share in estate: Direct line - 5% to 30% Collateral line - 6.4% to 26% trangers - nil.	Graduated from 10% on the first \$10,000 of aggregate net value to 50% on aggregate net value in excess of \$300,000.	Graduated from \$7,000 on the first \$50,000 of aggregate net value plus 18% on the next \$10,000 to 50% on aggregate net value in excess of \$300,000.		On individual's share in estate: Direct line (special beneficiaries) - 10% to 36% Collateral line - 8% to 38% Strangers - 13%% to 40%.	5
ates passing to a surviving pouse. estates valued at \$100,000 r less.		All estates valued at \$50,000 or less.			6
	to preferred successors that include a spouse.  \$150,000 if estate is transmitted to preferred successors that do not include a spouse.  An additional \$1,000 for each year that an infirm child is under 71 years of age.  Up to \$25,000 for collateral successors to the extent that the \$150,000 preferred successors exemption has not been fully "used up".  Charitable bequests-up to 20% of the aggregate value of property passing at death or 50% of the aggregate results of such bequests or any unused portion of the \$150,000 prefer-	\$200,000 if estate is transmitted to preferred successors that include a spouse. \$150,000 if estate is transmitted to preferred successors that do not include a spouse.  An additional \$1,000 for each year that an infirm child is under 71 years of age.  Up to \$25,000 for collateral successors to the extent that the \$150,000 preferred successors exemption has not been fully "used up".  Bequests to Canadian charitable organizations and to any government in Canada.  Survivor benefits under the Canada and Quebec Pension Plans.  Individual bequests of \$1,000 or less.		\$125,000 if estate is transferred to special beneficiaries plus additional exemptions for family home of any value, insurance up to \$25,000, annuity or pension payments up to \$250 a month. (In no event can the exemption for this class be less than \$150,000.)  Up to \$25,000 if property is transmitted to collateral beneficiaries.  Up to \$10,000 if property is transmitted to strangers.	7



# PART II

GENERAL SALES TAXES



#### **GENERAL SALES TAX**

The federal government imposes a general sales tax on the selling price of goods manufactured in Canada and on the duty paid value of imported commodities. This tax is payable by the manufacturer at the time of delivery to the purchaser, or when the ownership of the goods changes. [i.e. when the property in the goods passes], or by the importer at the time of importation. On most commodities, the rate of tax is 12 percent; it is 11 percent on a wide range of building materials. Full exemption is allowed on raw materials, production machinery, research equipment, processing materials, and a number of designated consumption goods.

The federal budget of February 19, 1973 introduced new exemptions from federal sales tax. Effective February 19, confectioneries, chocolate bars, soft drinks and fruit drinks and similar near-food products were to be relieved from the levy. Effective the same date, children's clothing, shoes and other footwear were also to be freed from the impost.

All provinces, except Alberta, impose a retail sales tax on a wide range of consumer goods and services. The rates vary from 5% in Manitoba, Saskatchewan and British Columbia to 7% in Newfoundland, Nova Scotia

and Ontario, and 8% in Prince Edward Island, New Brunswick and Quebec.

The main changes introduced in 1973 in provincial sales taxation were as follows:

- (a) in Nova Scotia, larger sizes of children's clothing and footwear were exempted, effective April 3. Relief was also provided for purchases of merchandise (with the exception of automotive equipment and parts) by Indians on reservations for their own use effective May 1.
- (b) in Quebec, the small sale exemption was raised from 10¢ to 15¢ effective April 11. Also, the exemption for prepared meals was raised from \$1.24 to \$1.49 effective the same date.
- (c) in Ontario, the sales tax was raised from 5% to 7% effective May 1. Effective the same day, the exemption for prepared meals was increased to \$4.00 from the previous \$2.50. Also effective May 1, seeds, bulbs and natural flowers as well as household pets were exempted from the impost.

Further details on the general sales taxes of the federal and provincial governments are provided in Table 3.

TABLE 3. General Sales Taxes levied by the Federal and Provincial Governments

		Federal	Newfoundland	Prince Edward Island	Nova Scotia
No.					
1	Statutory authority	Excise Tax Act; (Part V), R.S.C. 1970, c.E. 13 and amendments.	The Social Security Act; 1963, C. 83 and amendments.	The Revenue Tax Act; 1960, c. 36 and amendments.	Health Service Act; R.S. N.S. 11 C. 126 and amments.
2	Basis	Manufacturer's selling price or duty—paid value of imports.	Retail price.	Retail price.	Retail price.
3	Rate	12%; special rate of 11% on most building materials.	7%	8%	7%
	Exemptions:				
	Commercial fisheries:				
4	Boats		X	X	X
5	Equipment and apparatus	$L^1$	X	X	X
	Educational and religious:		:		
6	School text books	X	X	X	X
7	Religious books	X	_	X	X
8	Scientific, educational and cultural books	X L. <sup>1</sup>	was		X
9	Classroom supplies	L¹ L¹	-	X L <sup>3</sup>	X 1.3
10	Sales to churches	L*	_	L	L
	Newspapers and periodicals:		4	1	
11	Newspapers	X	L <sup>4</sup>		X
12	Periodicals, subscriptions	X	_	X	X
13	Periodicals, over the counter	X	_	_	_
	Farming:				
14	Farm produce	X	2	2	2
15	Farm equipment and implements	X	X	X	X
16	Feed, seed, fertilizer		X	X	X
17	Insecticides	X	X	X	X
18	Weed killers			X	X
19	Fungicides		X	X	X
20	Fruit trees		X	X X	X
21	Livestock	X	X	A	A
	Food and drink:				27
22	Food		X	X	X
23	Candy		_	77	_
24	Soft drinks		-	X 1.5	T.5
25	Meals Alcoholic beverages		_	Г	_
26		_			
-	Fuels and electricity:				v
27	Firewood		X	X	X
28	Coal		_	X	X
30	Fuel oil (heating)			X	X
31	Gas (heating, cooking, etc.)		_	X	s <sup>7</sup>
32	Electricity  Gasoline		- s <sup>8</sup>	x s <sup>8</sup>	s <sup>8</sup>

TABLE 3. General Sales Taxes levied by the Federal and Provincial Governments

TABLE 3. General Sales Taxes levied by the Federal and Provincial Governments							
New	Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	British Columbia	No.
cation R.S.N.	rvices and Edu- Tax Act; B. 1952, c. 213 endments.	Retail Sales Tax Act; R.S.Q. 1964, c. 71 and amendments.	The Retail Sales Tax Act; R.S.O. 1970, c. 415 and amendments.	The Revenue Tax Act; R.S.M. 1970, c. R150 and amendments.	The Education and Health Tax Act; R.S.S. 1965, c. 66 and amend- ments.	The Social Services Tax Act, R.S.B.C. 1960, c. 361 and amendments.	1
etail pri	ice.	Retail price and rent of tangible personal property.	Retail price and rent of tangible personal property.	Retail price.	Retail price and rent of tangible personal property.	Retail price.	2
	8%	8%	5% prior to May 1; 7% effective.	5%	5%	5%	3
	x	x	х	x	-	х	4
	x	х	<b>x</b>	x	$_{ m L}^2$	X	5
	х	x	v				
	X	X	X X	X X	X	X	6
	x	X	x	X	X	X	7
	<b>X</b> 3	Х	x	_	~	x	8
	L	X	x	-		_	10
		' 					
	X	1	х	х	Х	x	11
	X	Х	Х	Х	Х	x	12
	_	X	Х	Х	_	X	13
	2	x	x	x	v	2	
	x	X	x	X	X X	X	14 15
	x	x	x	x	x	X	16
	х	x	x	X	x	X	17
	х	x	x	x	x	1	18
	X	х	X	x	X	X	19
	X	x	X	х	x	X	20
	Х	х	х	х	x	x	21
	x	x	v				
	_	_	X	X	X	i i	22
	eine	_ '	_	_ x	x		23 24
	L <sup>5</sup>	s <sup>1</sup>	s <sup>2</sup>	L <sup>6</sup>	L <sup>7</sup>		25
	~	s <sup>3</sup>	s <sup>4</sup>	s <sup>5</sup>	_	0	26
	х	x	х	х	X	X	27
	X	х	x	х	х	X	28
	х	x	x	-	X	g .	29
	X		x	х	X	- !!	30
	x s <sup>8</sup>	-	x	x	L <sub>8</sub>		31
	5	s <sup>8</sup>	s <sup>8</sup>	s <sup>8</sup>	s <sup>8</sup>	s <sup>8</sup>	32

TABLE 3. General Sales Taxes levied by the Federal and Provincial Governments - Concluded

No.		Federal	Newfoundland	Prince Edward Island	Nova Scotia
NO.					
	Exemptions - Concluded:				
	Health:				
1	Drugs and medicines on prescription	X	X	X	Х
2	Other drugs and medicines	X	- '	X	X
3	Orthopaedic appliances, etc	Х	x	х	X
	Production machinery and processing materials:				
4	Physical ingredients	X	X	X	X
5	Industrial machinery	X	L <sup>9</sup>	X	X
6	Processing materials	X	L <sup>10</sup>	X	X
7	Purchases by municipalities	$L^1$		$^{\Gamma_1}$	X
	Transportation equipment:				
8	Railway rolling stock:	L <sup>14</sup>	X	Х	X
9	Other railway supplies	_	3		10
10	Commercial vessels	L <sup>17</sup>	L <sup>18</sup>	L <sup>19</sup>	L <sup>19</sup>
11	Commercial aircrafts	$^{ m L}^{15}$	X	L <sup>15</sup>	L.15
	Miscellaneous:				
12	Sales to federal government	-	X	X	X
13	Sales to provinces	X	_	-	X
14	Sales for exportation or for out of province delivery	X	X	X	X
15	Children's clothing and footwear	X	X	X	X
16	Building materials	$s^9$	_	_	-
17	Small sales	N/A	4	4	4
	Services subject to tax:				
18	Hotel and motel room rental	N/A	yes	yes	yes
19	Telephone services	N/A	yes	yes	
20	Long distance telephone calls	N/A	yes		s <sup>7</sup>
21	Other telecommunications	N/A	yes		
22	Repairs	N/A	yes	yes	
23	Laundry and dry-cleaning	N/A	yes	yes	
24	Printing, photography, writing	yes	yes		

#### Legend:

- X: Unqualified exemption.L: Limited exemption.S: Subject to special, taxed under a separate statute, or subject to time limitation.
- -: not exempt.

### Specific references:

- L1: Exemption limited to certain designated goods.
  L3: Exemption limited to fishing nets, which are unconditionally exempt.
  L4: Rebate on purchases entering into capital investment.
  L5: Exempt when published within the province.
  L5: Exempt under \$1.01.
  L6: Exempt under \$2.01.
  L8: Exempt under \$2.51.
  L9: Exempt under \$2.51.
  L9: Specific exemptions to railways, mines, shipyards and pulp and paper companies, for installation and expansion of plant and equipment.
  L10: All purchases of manufacturers partially exempt to the extent that their sales are made for out-of-province delivery.
  L12: Exemption limited to catalysts or direct agents.
  L13: Exemption limited to a rebate on purchases entering into capital investment and to certain equipment for roads and fire fighting.
  L13: Exemption limited to insecticides, fungicides and herbicides for roadways or road allowances and to electricity for street lighting, fire protect
  street railway operation, sewage disposal, pumping and manufacturing.
  L15: Exempt when used exclusively for international trade.
  L15: Exempt when used for interprovincial or foreign trade.

TABLE 3. General Sales Taxes levied by the Federal and Provincial Governments - Concluded

New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	British Columbia	No.
						140.
Х	Х	X	X	X	х	1
-	-	_	X	X	X	2
Х	х	х	X	Х	Х	3
x	х	x	x	x		
x	s <sup>10</sup>	_			x	4
L <sup>11</sup>	$L^{10}$	x	х	-		5
		45	A	X	L**	6
-	_	L <sup>12</sup>	-	L <sup>13</sup>	_	7
						1
X	X	X	X	x	L <sup>15</sup>	8
- 10	-			L <sup>16</sup>	_	9
L <sup>19</sup>	X	L <sup>20</sup>	-	_	L <sup>20</sup>	10
L <sup>15</sup>	$L^{21}$	$L^{15}$	$L^{21}$	L <sup>21</sup>	$L^{21}$	11
x	x	x	x			
_	x	_		Х	х	12
X	X	x	~	-	_	13
X	x	X	X	Х	X	14
X	44	_	Х	enan.	х	15
4	4	4	4	4	4	16
						17
yes	s <sup>7</sup>	yes	yes	yes	s <sup>7</sup>	18
yes		yes	$L^{22}$	L <sup>23</sup>	yes	19
yes	s <sup>7</sup>	yes	L <sup>22</sup>	L <sup>23</sup>		20
yes	s <sup>7</sup>	yes	yes	yes		21
			yes			22
yes			yes			23
			yes			24
ecific references Come	1 1 1					

pecific references - Concluded:

cific references—Concluded:

L16:
Exemption limited to rails and ties.
L17:
Exempt when licensed to engage in the Canadian coasting trade.
L18:
Exempt over 300 tons.
L19:
Exempt when normally operating in extra-territorial waters.
L20:
Exempt over 500 tons gross.
L21:
Exempt over 500 tons gross.
L22:
Exempt under 46¢.
L23:
Exempt under 46¢.
L33:
Exempt when telephone call made from a coin operated box and is under 49¢.
S1:
Meals are not subject to the general retail sales tax in Quebec but to a separate tax imposed under the Meals and Hotels Tax Act at the same rate
as the general retail sales tax; meals of \$1.49 or less are exempt.
S3:
Special rate of 10% on meals of \$4.01 or over; meals of \$4.00 or less are exempt.
S4:
S5:
Spirits and beer are subject to a special tax of 10%.
S5:
Spirits, wines, and imported beer are subject to a special tax of 10%.
S5: Spirits, wines, and imported beer are subject to a special tax of 10%.
S6: Spirits, wines, and imported beer are subject to a special tax of 10%.

S4: Beer is subject to a special tax in lieu of sales tax; spirits are subject to the general sales tax.

S5: Spirits and beer are subject to a special tax of 10%.

S6: Spirits, wines, and imported beer are subject to a special tax of 10%.

S7: Draught beer sold by the glass on licenced premises is exempt.

S8: Taxed under a separate statute — See Table 5 "Miscellaneous Provincial Taxes" p. 42.

S9: Motive fuels are taxed separately in all provinces — See Table 5 "Miscellaneous Provincial Taxes." p. 32.

S10: Exempt until 1975.

In practice, newspapers are not taxed because they sell for prices less than the amount of the exemption for small sales.
 In practice, almost all such sales consist of foods and other goods specifically exempt.
 Tax not paid by Canadian National Railways.
 Sales below 8¢ in Newfoundland, 11¢ in Prince Edward Island, 16¢ in Nova Scotia, 12¢ in New Brunswick, 16¢ in Quebec, 21¢ in Ontario, 26¢ in Manitoba, 15¢ in Saskatchewan, and 16¢ in British Columbia.



## PART III

OTHER IMPORTANT TAXES LEVIED
BY THE FEDERAL AND
PROVINCIAL GOVERNMENTS



## OTHER IMPORTANT TAXES LEVIED BY THE FEDERAL AND PROVINCIAL GOVERNMENTS

The federal government imposes customs duties on most imported commodities under the authority of the Customs tariff; R.S.C. 1970, c. 41 and amendments. The rates are mainly ad valorem although a few are of the specific amount variety. There are three categories of rates: (a) British preferential, which are the lowest (b) most-favoured-nations, which are established under special agreements with various countries and (c) general, which apply to imports from all other countries. The tariff schedules are too lengtly and complex to be summarized in this publication. The rates pertaining to particular items may be obtained upon request from the Customs and Excise Branch of the Department of National Revenue.

The federal government, under the provisions of the Excise Act, also levies excise duties on alcoholic beverages (other than wines) and tobacco products. In addition, it imposes, under the authority of the Excise Tax Act, special excise taxes on a number of specific goods, including tobacco products and wines, as well as a special tax on certain insurance premiums. The 1973 federal budget introduced some changes in excise taxation. It announced the repeal effective February 20, 1973 of the special excise taxes of 10% on toilet articles and cosmetics and on clocks and watches with manufacturers' selling prices of less than \$50. Details pertaining to duties and taxes under the aforementioned federal statutes are presented in Table 4.

Provincial governments resort extensively to the taxation of admissions to places of amusement, motive and other fuels, motor vehicle registrations and driving permits, insurance premiums, mining operations, race track betting, and tobacco products. Four provinces and one territory levy premiums and one province imposes a payroll tax to help finance their hospitalization and medical care programs. Individual provinces impose

special taxes on alcoholic beverages, land and security transfers, meals and lodging, telecommunications and logging operations; in other provinces, some of these items are subjected instead to general sales taxation. Details pertaining to these levies are provided in Table 5.

All provincial governments derive substantial amounts of revenue through the sale of alcoholic beverages by provincial agencies operating as boards or commissions which exercise monopolistic control over the distribution of these products. The mark-ups of these liquor boards and agencies effectively constitute a kind of taxation. The mark-ups are not publicized and thus are not reported in this publication. In certain provinces beer and/or wine may be sold by private retailers as well as by liquor board or commission outlets. However, regardless of their mode of distribution at retail level, alcoholic beverages contribute equally to provincial revenue.

A number of changes were made in the above-mentioned areas of provincial taxation in 1973. Ontario repealed its security transfer tax effective April 13. Manitoba eliminated its health insurance premium effective June 1. Saskatchewan brought its tax rate on all cigarettes to 9/25 of a cent effective February 19 and thereby eliminated the preferential rate of 8/25 of a cent per cigarette on cigarettes of 85 millimetres in length or less. British Columbia reduced its tax rate on motive fuels of non-polluting nature from  $17\phi$  to  $10\phi$  per gallon and exempted motive fuels for off-highway use by family farmers and fishermen and motive fuel used in family farm trucks on highways effective April 1.

<sup>&</sup>lt;sup>1</sup> For information on the revenue obtained by the provinces from the sale of alcoholic beverages, refer to *The Control and Sale of Alcoholic Beverages in Canada* (Catalogue 63-202).



TABLE 4. Excise Duties and Excise Taxes levied by the Federal Government

Category	Statutory			Rate	Exemptions, deductions, tax credits, etc.
Excise duties	R.S. 1970,				Imported tobacco products are not subject to excise duties but the customs duties to which they are liable
	c. E12 and amend-ments	rettes		35¢	include an element in respect of excise.
	licitis	Cigarettes weighing not more than 3 lbs. per 1,000		\$4.00	
		Cigarettes weighing more than 3 lbs. per 1,000	8.0	\$5.00	
		Cigars	84	\$2.00	
		Canadian raw leaf tobacco when sold for consumption	per pound	10¢	
		Spirits and beer:			These duties do not apply to denatured alcohol for use
		Domestic potable spirits on the strength of proof distilled in Canada	per proof gal.	\$14.25	in the arts and industries, nor for fuel, light or power for any mechanical purpose, nor do they apply to spirits used in the manufacture of vinegar, to certain
		Non-potable spirits used in the manufacture of:			spirits used to treat domestic wine, and to spirits used in the manufacture of toilet preparations or
		Medicines, extracts, pharmaceutical preparations, etc.	86	\$1.50	cosmetics subject to special excise tax. The Customs Tariff applies equivalent duties on imports.
		Approved chemical compositions Spirits sold to druggists and used in	66	15¢	
		preparation of prescriptions	4 €	\$1.50	Imported spirits and beer are not subject to excise duties but the customs duties to which they are liable
		Imported spirits taken into bonded manu- factory, in addition to other duties		30¢	include an element in respect of excise.
		Canadian brandy Beer	non gollen	\$12.25	
			per gallon	42¢	
excise taxes	Excise Tax Act; (Part I), R.S. 1970,c. E13 and amend- ments.	Insurance companies:  British or foreign companies not authorized to transact business in Canada, or non-resident agents of authorized British or foreign companies.	net premium	10%	Excluding insurance against marine risks, nuclear risks and life, personal accident or sickness insurance.
	Excise Tax Act; (Parts IV and V), R.S. 1970, c E13 and	Jewellery, clocks, watches valued at more than \$50 at manufacture	ad valorem²	10%	
	amend- ments.	Playing cards	per pack	20¢	
		Coin-operated amusement devices	ad valorem	10%	
		Tobacco¹ and smoker's accessories:			
		Cigarettes Cigars	per 5 ad valorem	3¢ 17½%	
		Matches Lighters	per unit	10% 10¢	
		Cigarette holders, pipes, etc. Tobacco—manufactured	ad valorem per pound	10% 90¢	
		Wines:			Evoluting imports Quetoms duties on imports are not
		Wines of all kinds containing 7% or less of absolute alcohol by volume	per gallon	25¢	Excluding imports. Customs duties on imports are set to take into account the taxes levied on domestic production of wines.
		Non-sparkling wines containing more than 7% of absolute alcohol by volume but not over 40% of proof spirits	**	50¢	
		Champagne and sparkling wines	**	\$2.50	
		Additional levy on wines: Wines of all kinds containing 7% or	per gallon	2½¢	This levy applies equally to domestic and imported wines.
		less of absolute alchohol by volume All other wines	11	5¢	

Bringing together the taxes imposed on tobacco products under the Excise Tax Act and the duties imposed under the Excise Act, the total taxes on the

<sup>1</sup> Bringing together the taxes imposed on tobacco products under the excise lax Act and the duties imposed and lowing tobacco products are:

Cigarettes -\$10.00 per thousand (or 20¢ per pack of 20 cigarettes) plus the 12% sales tax on the manufacturer's sale price including excise duty.

Manufactured tobacco-\$1.25 per pound plus the 12% sales tax on the manufacturer's sale price including excise duty.

Cigars-\$2.00 per thousand plus the 17½% excise tax and the 12% sales tax on the manufacturer's sale price including excise duty.

An "ad valorem" tax is levied as a percentage of the value of the goods, which, for tax purposes, includes customs duties in respect of imported goods excise duties in the case of tobacco and alcoholic products manufactured in Canada. Where an article is subject to the general sales tax and to the cise tax, both taxes apply separately to the same value.

	Table 5. Miscellaneous Provincial Taxes								
		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec			
No. 1	Amusement taxes Statutory authority	-	The Entertainments Act; S.P.E.I. 1971, c. 13 and amendments.	Theatres and Amusements Act; R.S.N.S. 1967, c. 304 and regulations.	Theatres, Cinematographs and Amusements Act; R.S.N.B. 1952. c. 228 and amend- ments.	Amusement Tax A R.S.Q. 1964, c. 76.			
0	Basis	_	Admission price	Admission price	Admission price	Admission price			
3	Rate		From:  45¢ - 60¢ 5¢ 61¢ - 80¢ 7¢ 81¢ - 81.00 10¢ over \$1.00 10¢ plus 5¢ extra for each additional 50¢ or fraction thereof.  Season ticket - 10% of selling price.  Pass or complimentary ticket 10¢	From: 56¢ - 70¢ 5¢ 71¢ - \$1.00 10¢ over \$1.00 5¢ extra for each additional 50¢ or fraction thereof.	Theatre rates:  Up to 25¢	10%			
4	Comments	-	Exemptions: Church, school and municipal functions; certain other amateur or private functions; tickets costing less than 45¢.	Exemptions: Religious, educational or char- itable functions; tick- ets costing 55¢ or less.	Exemptions: School enter- tainment; agricultural fairs; religious, educational or charitable functions.	Exemptions: Charita agricultural or chu functions.			
5	Motive and other fuel taxes Statutory authority	The Gasoline Tax Act; R.S.N. 1962, c. 55 and amend- ments. The Fuel Oil Tax Act; R.S.N. 1962, c. 76.	The Gasoline Tax Act; S.P.E.I. 1971, c. 15 and amendments.	Gasoline and Diesel Oil Tax Act; R.S.N.S. 1967, C. 116 and amendments.	Gasoline and Motive Fuel Tax Act; R.S.N.B. 1965, c. 3 and amendments.	Gasoline Tax Act; R.& 1964, c. 74 and amments.			
		Per gallon	Per gallon	Per gallon	Per gallon	Per gallon			
6		Motor fuel - 25¢ Fuel oil - 1¢	Gasoline -21¢ Diesel fuel -25¢	Gasoline fuel - 21¢ Diesel fuel - 27¢ Aviation fuel - 3¢	Gasoline -20¢ Diesel fuel -23¢ Aviation fuel - 3¢	Gasoline -19¢ Diesel fuel -25¢ Aviation fuel - 3¢			
	Gomments	Exemptions for gasoline used by governments, by foreign diplomats, in aircraft, in motorized equipment (other than trucks and automobiles) used for agricultural or logging purposes, in sawmills, in fish processing plants, in certain manufacturing plants, ir vessels and boats used ir trade, in electrical power generating plants, in house hold appliances, as house hold fuel, and for minera exploration and pre production development.  Exemptions for fuel oil user for domestic purposes or by vessels (except pleasure boats, tugs, dredges ansoows), manufacturin plants, commercial buildings, and institutions.	fuel, fuel used in our- shore fishing fleets, and marked gasoline.  Marked gasoline may be purchased by the fed- eral government, farm ers, commercial fish ermen, and owners and operators of stationar; engines or certain spor- establishments.	dasoline.  Marked gasoline may be used in vehicles of the federal, provincial and municipa governments and invehicles designed for fire-fighting, road, building or off	ingnting or nearing, in their ing operations, in the cleaning of fabrics, in stationary engines, in the operation of motor boats and snowmobiles, in tractors of the control of the control of the control of the construction of roads and bridges. Exemption for fuel used by municipal governments.	in the operation of tractors and fis toats. Refunds of of the tax are all on gasoline use stationary en (except gasoline by farmers and fimen), pumps to forest fires, production machin			

TABLE 5. Miscellaneous Provincial Taxos

TABLE 5. Miscellaneous Provincial Taxes									
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.		
The Retail Sales Tax; R.S.O. 1970, c. 415 and amendments.	The Amusements Act; R.S.M. 1970, c. A70 and amendments.	_	See: Race track tax section on page 39.	-	_	-	1		
Admission price ·	Admission price	-	_	_	_	_	2		
From: 76¢ to 84¢ 6¢ 85¢ to 90¢ 7¢ 91¢ & 92¢ 8¢ 93¢ & over 10%	Over \$1.00 10%	-	ana a	_	_	-	3		
Exemptions: Tickets costing 75¢ or less; religious, charitable or educational functions (by way of refund).	Exemptions: Religious, charitable or educa- tional functions tickets costing \$1.00 or less.	-	-	-	_	-	4		
The Gasoline Tax Act; R.S.O. 1970, c. 190 and amendments. The Motor Vehicle Fuel Tax Act; R.S.O. 1970, c. 282 and amendments.	The Gasoline Tax Act; R.S.M. 1970, c. G40 and amendments.  The Motive Fuel Tax Act; R.S.M. 1970, c. M220 and amend- ments.	The Fuel Petro- leum Products Act; R.S.S. 1965, c. 67 and amendments.	The Fuel Oil Tax Act; R.S.A. 1970, c. 153 and amend- ments.	Gasoline Tax Act, 1948; R.S.B.C. 1960, c. 162 and amendments. Coloured Gasoline Tax Act; R.S.B.C. 1960, c. 63 and amendments. Motive Fuel Use Tax Act; R.S.B.C. 1960, c. 251 and amendments. Fuel Oil Tax Act; R.S.B.C. 1960, c. 158 and amendments.	Fuel Oil Tax Ordin- ance: 1968 (4th ses- sion), c. 2 and amend- ments.	Petroleum Products Tax Ordinance; R.O. 1956, c. 40 and amendments.	5		
Per gallon	Per gallon	Per gallon	Per gallon	Per gallon	Per gallon	Per gallon	6		
Gasoline -19¢ Diesel fuel -25¢ Avlation fuel - 3¢	Gasoline - 17¢ Diesel fuel - 20¢ Aviation fuel - 2¢ Special rates: Bunker - 1/3¢ Propane - 1¢ if used for commercial heating, and 17¢ if used for carbura- tion Coloured gasoline - 1¢	Gasoline — 19¢ Diesel fuel — 21¢ Aviation fuel — 4¢ Other fuels — 4¢	Aviation fuel - 3¢	propane) used by common	Fuel oil (gasoline and diesel fuel) - 14¢ Aviation fuel - 2¢	Gasoline — 14¢ Diesel fuel — 15¢ Fuel oil — 3¢ Aviation fuel — 2½¢ Propane and butane — 2¼¢	7		
Full tax refund is allowed on gasoline used exclusively in farming or commercial fishing.  A taxrelief of 13¢ per gallon is allowed on gasoline used in Off-highway vehicles other than "non-working" motor boats and snow-mobiles. Gasoline used in "working" motor boats is eligible for the relief.  A taxrelief of 17¢ per gallon is allowed on diesel fuel oil that is not used in a motor vehicle or that is used in a motor vehicle which is not used on highways or in the construction or maintenance of highways.	Exemptions for coloured gasoline used in farm trucks, agricultural machinery, municipal firefighting equipment and in trapping, fishing and prospecting operation.  Exemptions for diesel fuel used in agricultural machinery, municipal firefighting equipment, lighting plants, hospitals and for domestic purposes. Partial or full refund in other circumstances set out in the Act.	Exemptions for fuel used for cooking, lighting and heating or not designed and manufactured for use in, and not in fact used in, an internal combustion engine.  Exemptions from tax at 19 or 21¢ (but not from tax at 19 or 21¢ (but not from tax at 4¢) for coloured gasoline used in farming operations by Saskatchewan railways, for generating electricity, forcity-owned buses, for tractors or machinery (other than motor vehicles) used for industrial purposes or in the construction and maintenance of roads, for mixing with chemicals for weed or insect control or for commercial fishing boats.	Exemption for fuel used by the federal government and foreign diplomats.  Relief of 3¢ per gallon for gasoline and diesel fuel used as raw material by the petroleum industry, in household appliances, for lighting and heating, or for spraying on road surfaces.  Relief of 12¢ from gasoline tax and 14¢ from diesel fuel tax for fuel used in farming operations, for industrial purposes, in transit buses, in railway locomotives, or designated as unfit for use in motor vehicles.	Coloured gasoline may be used only in ships, boats and other water vehicles, in stationary and portable engines and tractors for off-highway use, in logging trucks, in railway rolling stock and trackriding motor vehicles, for nonmotive industrial use and in farming or commercial fishing operations.  Motive fuels used off-highway by family farmers and fishermen and fuels used in the family farm truck on the highway are exempted from gasoline taxes.  A refund of 12¢ per gallon of non-coloured gasoline and 14¢ per gallon of dieselfuel is granted for off-highway ore or logging trucks, for stationary motor vehicle power units used in industry for certain industrial and commercial vehicles used off-highway in oil and gas operations, and for the motor vehicles of amputees, paraplegics and certain classes of war veterans.	No tax is payable in respect of fuel oil that is used or is to be used in stationary units for the generation of electrical power, in the operation of farm tractors for farming purposes, for lubricating purposes, for lubricating purposes, for lubricating purposes, for lustractors or sprinkling on roads or streets, or for use as cleaning fluids or solvents.	No tax is payable in respect of fuel used or to be used by hospitals, municipal governments, visiting armed forces, for lubricating purposes, for laying or sprinkling on roads or streets, for delivery to D.E.W. stations, or for use as cleaning fluids or solvents.	8		

TABLE 5 Miscellaneous Provincial Taxes - Continued

	TABLE 5. Miscellaneous Provincial Taxes - Continued								
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec			
1	Motor vehicle registra- tions and driving permits Statutory authority	The Highway Traffic Act; R.S.N. 1962, c. 82 and amendments.	The Highway Traffic Act; S.P.E.I. 1964, c. 14 and amendments.	Motor Vehicle Act; R.S. N.S. 1967, c. 191 amendments and regu- lations.	The Motor Vehicle Act; R.S.N.B. 1955, c. 13 and amendments.	Highway Code; R.S.Q. 1964 c. 231 and amend- ments.			
2	Basis	(a) Weight of the vehicle	(a) Weight of the vehicle	(a) Per 100 lb. vehicle weight	(a) Per pound of weight of motor vehicle	(a) Per pound of vehicle weight			
		(2)	(b) Operator (c) Chauffeur	(b) Operator (c) Chauffeur	(b) Operator	(b) Operator (c) Chauffeur			
3	Rate	(a) 1. Passenger vehicles: up to 2,000 lb \$18.00 2,001 to 3,000 lb \$20.00 3,001 to 4,000 lb \$22.00 4,001 lb. and over - \$24.00	(a) 1. Passenger vehicles: Not more than 2,049 lb\$20.00 Over 2,049 lb. up to and including \$1.00 per 4.949 lb100 lb. 4,950 lb. and over -\$50.00	(a) 1. Passenger vehicles: \$1.00 per 100 lb. of vehicle weight. Minimum licence fee is \$15.00.	(a) 1. Passenger vehicles:  1¢ per pound of weight of motor vehicle; minimum fee of \$20.00 per vehicle plus a fee of \$4.00 for licence plates.	(a) 1. Passenger vehicles:  1¢ per pound (minnum \$20.00) plus a fee of \$1.00 for licence plates			
		2. Commercial vehicles: from \$22.00 (up to 4,000 lb.) to \$720.00(49,001—50,000 lb.)	2. Commercial vehicles: from \$14.00 (up to 3,000 lb.) to \$916.00 (80,000 lb.)	2. Commercial vehicles: from \$29.00 (up to 4,000 lb.) to \$634.00 (49,001- 50,000 lb.)	2. Commercial vehicles: from \$19.00 (up to 4,500 lb.) to \$1,435.00 (124,501 - 125,000 lb.)	2. Commercial vehicles: \$50.00 up to 15,000 lb. and \$100.00 above 15,000 lb.			
		(b) Operator's licence — \$9.00	(b) Operator's licence — \$4.00	(b) Operator's licence — \$6.00 (3 years)	(b) Operator's licence — \$4.00 plus a \$6.00 unsatisfied judge- ment fee.	\$6.00			
			(c) Chauffeur's licence — \$7.00	(c) Chauffeur's licence— \$7.00 (1 year)	(c) Chauffeurs licence — \$4.00 plus a a \$6.00 unsatisfied judge- ment fee.	(c) Chauffeur's licence- \$6.00			
4	Comments	(a) Reduced rates apply later in the year.	(a) Reduced rates apply later in the year.	(a) Vehicle registration expires December 31.	(a) Reduced rates apply later in the year which expires Dec. 31.	Operator's and chauf feur's licences have a two-year term.			
		(b) Operator's licence has a three year term. Expiry date is on licensee's birthday.	(b) Operator's and chauffeur's licences have a one year term. Expiry date is on the last day of licensee's month of birth.		(b) Operator's and chauffeur's licences have a two-year term.				

TABLE 5. Miscellaneous Provincial Taxes - Continued

Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
Act; R.S.M. 1970,	R.S.S. 1965, c.	The Highway Traffic Act; R.S.A. 1970, c. 169 and amend- ments.	R.S.B.C. 1960, c.	nance; R.O.Y.T.	1967 (2nd. Sess.)	1
base for pas-	base: weight of	(a) Length of wheel base for passen- ger vehicles; weight of com- mercial vehi- cles	(a) Gross weight of vehicle	(a) Length of wheel base	(a) Flatrate for passenger vehicles; weight of commercial vehicles	
(b) Driver	(b) Operator	(b) Operator	(b) Operator	(b) Operator	(h) Operator	
(c) Chauffeur	(c) Chauffeur		_	(-, -, -, -, -, -, -, -, -, -, -, -, -, -	(c) Chauffeur	
(a) 1. Passenger vehicles: \$12 for wheel base not exceeding 100" in length; for each additional 5 inches or portion thereof from \$2.00 to \$4.00.  Additional charge of 50¢ on all registrations for the Unsatisfied Judgement Fund.	(a) 1. Passenger vehicles: \$16 for wheel base not exceeding 110" \$22 for wheel base of 111" to 120" \$28 for wheel base exceeding 120"	(a) 1. Passenger vehicles: \$15 for wheel base not exceeding 110" \$20 for wheel base between 111" and 120" \$25 for wheel base of over 120" Whereno wheel base is established: \$20,00	hicles:	base 100" or	(a) 1. Passenger vehicles: Operated on MacKenzie Highway — \$15.00 Operated elsewhere in the Territories — \$5.00	3
2. Commercial vehicles: from \$16 (up to 6,000 lb.) to \$441 (73,001 - 74,000 lb.)	2. Commercial vehicles: from \$17 (up to 2,500 lb.) to \$1,662 (72,001 - 74,000 lb.)	2. Commercial vehicles: from \$30 (up to 3,000 lb.) to \$490 (40,000 - 41,000 lb.)	2. Commercial vehicles: from \$16 (up to 3,000 lb.) to \$830 (72,001 - 74,000 lb.)	•	2. Commercial vehicles: Operated on MacKenzie Highway \$6.50 per 1,000 lb. gross weight. Operated elsewhere in the Territories — \$1.00 per 1,000 lb. gross weight.	
(b) Operator's licence - \$5.00	(b) Operator's licence - \$2.00	(b) Operator's licence - \$10.00	(b) Operator's licence - \$5.00	(b) Operator's licence - \$3.00		
(c) Chauffeur's licence - \$7.50	(c) Chauffeur's licence - \$3.00				(c) Chauffeur's licence — \$3.00	
(a) Reduced rates apply later in the year which expires February 28.  (b) Operator's and chauffeur's licences issued for two years on birth date.	feur's licences have a one year term. Expiry date is April 30. See	40% after September 1 and 75% after January 1.	one-twelfth each month to a mini- mum fee of \$2.00.	apply later in the year.	duced to 40% after October 31.	4
	The Highway Traffic Act; R.S.M. 1970, c. H60 and amendments.  (a) Length of wheel base for passenger vehicles; weight of commercial vehicles:  (b) Driver  (c) Chauffeur  (a) 1. Passenger vehicles:  \$12 for wheel base not exceeding 100' in length; for each additional 5 inches or portion thereof — from \$2.00 to \$4.00.  Additional charge of 50¢ on all registrations for the Unsatisfied Judgement Fund.  2. Commercial vehicles: from \$16 (up to 6,000 lb.) to \$441 (73,001 — 74,000 lb.)  (b) Operator's licence — \$5.00  (c) Chauffeur's licence — \$7.50  (a) Reduced rates apply later in the year which expires February 28.  (b) Operator's and chauffeur's licences issued for two years	The Highway Traffic Act; R.S.M. 1970, c. H60 and amendments.  (a) Length of wheel base for passenger vehicles; weight of commercial vehicles: \$12 for wheel base not exceeding 100" in length; for each additional 5 inches or portion thereof — from \$2.200 to \$4.00.  Additional charge of 50¢ on all registrations for the Unsatisfied Judgement Fund.  (b) Operator's licence - \$5.00  (c) Chauffeur's licence - \$7.50  (d) Reduced rates apply later in the year which expires February 28.  (d) Operator's and chauffeur's licence - \$3.00  (e) Chauffeur's licence sissued for two years which expires February 28.  (b) Operator's and chauffeur's licences issued for two years which expires February 28.  (c) Chauffeur's licence sissued for two years which expires February 28.  (d) Chauffeur's licence sissued for two years which expires February 28.  (e) Chauffeur's licence shave a one year term. Expiry date is April 30. See "Miscellaneous taxes" for motor vehicle insurance, p. 43.	The Highway Traffic Act; R.S.M. 1970, c. H60 and amendments.  (a) Length of wheel base for passenger vehicles; weight of commercial vehicles (b) Driver (c) Chauffeur  (a) 1. Passenger vehicles: \$12 for wheel base not exceeding 110" (c) Chauffeur  (a) 1. Passenger vehicles: \$16 for wheel base not exceeding 110" (c) Chauffeur  (a) 1. Passenger vehicles: \$16 for wheel base not exceeding 110" (c) Chauffeur  (a) 1. Passenger vehicles: \$16 for wheel base not exceeding 110" (c) Chauffeur  (a) 1. Passenger vehicles: \$16 for wheel base not exceeding 110" (c) Chauffeur  (a) 1. Passenger vehicles: \$16 for wheel base not exceeding 110" (c) Chauffeur  (a) 1. Passenger vehicles: \$16 for wheel base not exceeding 110" (c) Chauffeur  (a) 1. Passenger vehicles: \$16 for wheel base not exceeding 110" (c) Chauffeur  (a) 1. Passenger vehicles: \$16 for wheel base not exceeding 110" (c) Chauffeur  (a) 1. Passenger vehicles: \$16 for wheel base not exceeding 110" (c) Chauffeur  (a) 1. Passenger vehicles: \$16 for wheel base not exceeding 110" (c) Chauffeur  (a) 1. Passenger vehicles: \$16 for wheel base not exceeding 110" (c) Chauffeur  (a) 1. Passenger vehicles: \$16 for wheel base not exceeding 110" (a) 2. Commercial vehicles: \$15 for wheel base not exceeding 110" (b) 322 for wheel base of vehicles: \$100 wheel base not exceeding 110" (c) Chauffeur  2. Commercial vehicles: from \$17 (up to 2.500 lb.) to \$4.00. (d) 52,500 lb. to \$4.00. (e) Chauffeur's licence - \$5.00 (e) Chauffeur's licence - \$2.00 (f) 0. Operator's licence - \$2.00 (e) Chauffeur's licence - \$2.00 (f) 0. Operator's and chauffeur's licence - \$2.00 (e) Chauffeur's licence - \$2.00 (f) 0. Operator's and chauffeur's licence - \$2.00 (e) Chauffeur's licence - \$2.00 (f) 0. Operator's and chauffeur's licence have a one year term. Expiry date is March device insurance, per length of the passenger vehicles: weight of commercial vehicles: \$100 metal vehicles: \$10	The Highway Traffic Act; R.S.M. 1970. c. H60 and amendments.  (a) Length of wheel base for passenger vehicles; weight of commercial vehicles (b) Driver  (b) Driver  (c) Chauffeur  (a) 1. Passenger vehicles (b) Operator  (a) 1. Passenger vehicles (c) Chauffeur  (a) 1. Passenger vehicles (b) Operator  (a) 1. Passenger vehicles (c) Chauffeur  (b) Operator  (c) Chauffeur  (a) 1. Passenger vehicles (c) Chauffeur  (a) 1. Passenger vehicles (c) Chauffeur  (b) Operator  (c) Chauffeur  (d) 1. Passenger vehicles (c) Chauffeur  (d) 1. Passenger vehicles (c) Chauffeur  (d) 1. Passenger vehicles (c) Chauffeur  (d) 2. Commercial vehicles (c) Chauffeur (c) Chauffeur (c) Chauffeur (c) Chauffeur (c) Chauffeur (c) Chauffeur (c) Chauffeur's licence (c) Chauffeur's	The Highway Traffic Act; R.S.M. 1970. C. 460 and amend ments.  (a) Length of wheel base for passenger vehicles weight of commercial vehicles weight of commercial vehicles. Weight of commercial vehicles: weight of commercial vehicles: a 11 chost of the vehicles and the vehicles weight of commercial vehicles. Weight of commercial vehicles: a 12 commercial	The Highway Traffic Act, R.S.A. 1970. Act, R.S.A. 1970. The Vehicles Act; R.S.A. 1970. The Vehicles Act; R.S.A. 1970. The Wehicles Conduction ments.  The Highway Traffic Act, R.S.A. 1970. The Wehicles Conduction ments.  The Highway Traffic Act, R.S.A. 1970. The Wehicles Conduction ments.  The Highway Traffic Act, R.S.A. 1970. The Wehicles Conduction ments.  The Highway Traffic Act, R.S.A. 1970. The Wehicles Conduction ments.  The Highway Traffic Act, R.S.A. 1970. The Wehicles Conduction ments.  The Highway Traffic Act, R.S.A. 1970. The Wehicles Conduction ments.  The Highway Traffic Act, R.S.A. 1970. The Wehicles Conduction ments.  The Highway Traffic Act, R.S.A. 1970. The Wehicles Conduction ments.  The Highway Traffic Act, R.S.A. 1970. The Wehicles Conduction ments.  The Highway Traffic Act, R.S.A. 1970. The Wehicles Conduction ments.  The Highway Traffic Act, R.S.A. 1970. The Wehicles Conduction ments.  (a) Length of wheel base of weight of combined ments.  (b) Operator  (c) Chauffeur  (d) Length of wheel base of weight of combined ments.  (a) I. Passenger vehicles: Side wheel base of weight of combined weight of combined ments.  (b) Operator  (d) Operator  (e) Chauffeur  (e) Chauffeur  (e) Chauffeur  (f) Operator  (h) Operator since weight of combined weight of combined ments.  (a) I. Passenger vehicles:

TABLE 5. Miscellaneous Provincial Taxes - Continued

	TABLE 5. Miscellaneous Provincial Taxes - Continued								
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec			
1	Insurance premium taxes  (a) On insurance companies: Statutory authority.	The Insurance Compa- nies Tax Act; R.S.N. 1957, c. 76 and amendments.	The Premium Tax Act; S.P.E.I. 1957, c. 27 and amendments.	Insurance Premiums Tax Act; R.S.N.S. 1967, c. 149.	Premium Tax Act; R.S.N.B. 1957, c. 14.	Corporation Tax Act R.S.Q. 1964, c. 67 and amendments.			
2	Basis	Gross Premiums	Gross Premiums	Gross Premiums	Gross Premiums	Premium Income			
3	Rate	2%	2%	2%	2%	2%			
4	Comments	Exemption for premiums on marine insurance and annuity contracts.	Exemption for annuity contracts,	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Applicable on all insur ance premiums, in cluding fire insurance			
5	(b) Fire insurance: Statutory authority.	The Insurance Premiums Tax Act; R.S.N. 1968, c. 59.	The Fire Prevention Act; S.P.E.I. 1951, c. 59 and amendments.	Fire Prevention Act; R.S.N.S. 1967, c. 107 and amendments.	Fire Prevention Act; R.S.N.B. 1952, c. 86 and amendments.	_			
6	Basis	Premiums charged	Gross premiums	Premium income	Premium income	-			
7	Rate	7%	3/4 of 1%	1/2 of 1%	1%	-			
8	Comments	This tax is paid by the policy holder. It is levied on all insurance premiums other than life, accident, sickness, and marine premiums.		Rates as determined by the Lieutenant-Gover- nor in Council.	-	-			

TABLE 5. Miscellaneous Provincial Taxes - Continued

		1			al Taxes - Continu			
	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No
T 19	e Corporations ax Act; R.S.O. 970, c.91 and mendments.	The Insurance Corporations Tax Act; R.S.M. 1970, c.150 and amendments.	The Insurance Premiums Tax Act; R.S.S. 1965, c. 63 and amendments.	The Insurance Corporations Tax Act; R.S.A. 1970, c. 188 and amendments.	(a) Insurance Premiums Tax Act; R.S.B.C. 1960, c. 198 and amendments.		-	1
A 19	e Insurance ct; R.S.O. 970, c.224 and mendments.				(b) Insurance Act; R.S.B.C. 1960, c. 197 and amendments.	_	-	
	ss premiums deposits	Premium Income	Gross Premiums	Gross Premiums	(a) Gross Premiums	_		2
or in	ss premiums reciprocal or ter-insurance changes.				(b) Premiums paid to unlicenced insurer or reciprocal exchange.			
	-	2%	2%	2%	(a) 2% (b) 5%	_	_	3
cove fire, port, plate kler I and v	on insurance ring property inland trans- livestock, glass, sprin- leakage, theft weather.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts. *See "Miscellaneous taxes" for motor vehicle insurance, page xx.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	-		4
insur	ance	-	Act; R.S.S. 1965, c. 365 and amend-	The Fire Prevention Act; R.S.A. 1970, c. 144 and amend-	R.S.B.C. 1960, c. 148 and amend-	dinance; O.Y.T. 1962 (5th Ses-		5
			ment.	ments.	ment.	sion), c. 3 and amendments.		
	-	-	Premium income	Premium income	Premium income	Premium income	-	6
	_	-	1%	1/3 of 1%	1%	1%	-	7
	-		-	-	Rate determined by Lieutenant Gover- nor in Council. Tax on fire and automo- bile insurance. Persons insured by unlicensed compa- nies pay the tax directly.	-	-	8

TABLE 5. Miscellaneous Provincial Taxes - Continued

	TABLE 5. Miscellaneous Provincial Taxes - Continued								
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec			
1	Mining taxes Statutory authority	(a) The Mining Tax Act; R.S.N. 1952, c. 43 and amendments. (b) The Mineral Lands Taxation Act; R.S.N. 1964, c.56.		(a) Gypsum Mining In- come Tax Act; R.S.N.S. 1967, c.122. (b) Mines Act; R.S.N.S. 1967, c.185.	Mining Income Tax Act; R.S.N.B. 1954, c.10 and amendments.	Mining Duties Act; R.S.Q. 1965 c. 35.			
2	Basis	(a) Net income from mining operations.  (b) Assessed value of minerals.		(a) Net income from gypsum mining or ton of gypsum mined. (b) Ton of coal; value of other minerals.	Net income from mining operations.	Net profit of mining corporations.			
3	Rate	(a) Iron mines — 20%, not to exceed 10¢ a ton on the first 1,500,000 tons and 8¢ on each additional ton. Other mines — 5%. (b) Not exceeding 10 mills.		(a) 33 1/3% of net income in excess of \$5,000; or 6¢ per ton where mining operations are calculated at a fixed rate of 18¢ per ton. (b) Coal - 12 1/2¢ per long ton. Gold and silver — when concentrates are smelted outside the province: 2% of smelter returns; when bullions are produced in the province: 1%. Iron, copper, lead, zinc — ore with two or more concentrates: 1%; ore with one concentrate: 2%. Other metals — as determined by the Lieutenant Governor in Council.	8% on net income up to \$750,000; 11% on the next \$2,250,000 of net income; 12% on net income in excess of \$3,000,000. Royalty on coal is 14¢ per short ton of two thousand pounds.	9% on net profit of \$50,000 to \$1,000,000; 11% on net profit of \$1,000,001 to \$2,000,001 to \$4,000,000; 15% on net profit of \$2,000,000; 44,000,000; 15% on net profit over \$4,000,000.			
4	Comments	No tax payable when gross income is less than \$5,000.	-	_		Net profit up to \$50,000 is exempt.			
5	Race track taxes Statutory authority	The Horse Racing (Regulations and Tax) Act; R.S.N. 1963, c. 65 and amendments.	The Entertainment Act; 1971, S.P.E.I. c. 13 and amendments.	Theatres and Amuse- ments Act, R.S.N.S. 1967, c. 304 and reg- ulations.	Theatres, Cinemato- graphs, and Amuse- ments Act; R.S.N.B. 1952, c. 228 and a- mendments.	Licences Act; R.S.Q. 1964, c. 79 and a- mendments.			
6	Basis	Amount of bets placed under the pari mutuel system.	Pari mutuelbetting pool	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool			
7	Rate	11%	11 1/2%	11%	11% of wagers	7% of ticket evidencing the choice of a single winning horse; 9% on other tickets.			
8	Comments	The track operators are paid a remuneration of 3% of the tax collected and remitted.		If tax is remitted within 7 days, the Race Association may deduct a commission of 7% and 8% depending on certain variables in amounts wagered and dates.	7 days, the Race Association may deduct from 6 1/2% to 8% of the amounts wagered as commission.	on wagers, there is a duty on the entrance fee at the rate of 10%			

	Т	CABLE 5. Miscellan	eous Provincial Ta	xes - Continued			
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
The Mining Tax Act; R.S.O. 1970, c.275.	(a) The Mining Royalty and Tax Act; R.S.M. 1970, c.M180 and amendments. (b) The Mineral Acreage Tax Act; R.S.M. 1972, c. M135. (c) The Mineral Taxation Act; R.S.M. 1970 a.M. 19	ation Act; R.S.S. 1965, c. 64 and amendments. (b) Municipal Tax Sharing (Potash) Act; R.S.S. 1968, c. 52. (c) The Mineral Resources Act:	Act; R.S.A. 1970, c. 236 and amend- ments.	R.S.B.C 1960 C	Yukon Place Mining Act R.S.C. 1952 c. 300.	Regulations:	1
Net profit	1970, c. M150.  (a) Net profit of mining corporations.  (b) Corporate holdings of mineral rights of 40 acres or more. (c) Assessed value of minerals in, on or under land in a designated producing area.	for freehold minerals owned by corporations.  (b) Assessed value of minerals for freehold lands.	(a) Assessed value of principal minerals.  (b) Flat rate per acre of mineral tract owned.	Net income	Value of gold shipped from Yukon.		2
15%	(a) 6% if income is under \$50,000; 15% on entire income if income exceeds \$50,000.	(a) 20¢ (minimum tax \$1.00). Additional tax based on size of acreage: 500,000-999,999 acres 10¢ per acre or fraction thereof 1,000,000 - 1,499,999 acres 20¢ per acre or fraction thereof 1,500,000 - 1,999,999 acres 30¢ per acre or fraction thereof 2,000,000 acres and over: 40¢ per acre or fraction thereof. Producing area where minerals have not been assessed: 50¢ per acre or fraction thereof. (b) 8 mills	respect to different classes of minerals in (designated) producing areas.  (b) Tariff or fees not	15% on net income in excess of \$10,000.	1 1/2%	\$10,001 - \$1,000,000: 3% 1,000,001: 5,000,000: 5% 5,000,001 - 10,000,000: 6% 10,000,001 and over: an additional 1% for each additional 1 \$5,000,000, not to exceed 12%.	3
Applicable to the total profit of the mine in the taxation year, as determined under the Act. Mining companies obtaining a profit of less than \$50,000 are exempt. Those obtaining a profit in excess of \$50,000 pay on the total profit including the first \$50,000.	Tax relief is provided during the first thirty-six months of operation of a new mine by a reduction of one-half the tax.	(a) Acreage tax applies only to corporations holding land in Saskatchewan, it is not applicable to an owner who is an individual. Producing tract tax applies to all freehold minerals.  (b) Assessed value of minerals is based on value of production for the previous year.  Coal is not considered a mineral.	to exceed 5¢ per acre (minimum 25¢).	The rate includes coal and mineral concentrates. The processors of minerals, as well as owners of mines are liable for this tax.	Rates established by Orderin-Council.	Exemption for the first \$10,000 of output.	4
The Race Tracks Tax Act; R.S.O. 1970, c. 397 and amendments.	The Amusements Act; R.S.M. 1970, c. A70 and amendments.	-	The Amusements Act; R.S.A. 1970, c. 18 and amendments.	Pari Mutuel Betting Tax Act; R.S.B.C. 1960, c. 274.		-	5
(a) Pari mutuel betting pool (b) Amount gained from a winning ticket.	Pari mutuel betting pool	-	Pari mutuel betting pool	Pari mutuel betting pool	-	-	6
7%	10%	-	5%	8%	-	-	7
-	1 1/2% of the rate is kept as commission by the track oper- ators.	-	-	1% of this rate is earmarked to increase the purses of B.C. bred, born and raised horses.	-	-	8

TABLE 5. Miscellaneous Provincial Taxes - Continued

	TABLE 5. Miscellaneous Provincial Taxes - Continued								
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec			
1 2	Tobacco taxes Statutory authority	The Tobacco Tax Act; R.S.N. 1964, c. 81 and amendments.  By cigarette; by retail price of cigars; other tobacco products by weight.	The Health Tax Act; S.P.E.I. 1951, c. 71 and amendments. By cigarette; by retail price of cigars and other tobacco prod- ucts.	Health Services Tax Act; R.S.N.S. 1967, c. 126 and amendments.  By cigarette; by retail price of cigars and other tobacco prod- ucts.	Tobacco Tax Act; R.S.N.B. 1952, c. 231 and amendments. By cigarette; by retail price of cigars; by weight for other to- bacco products.	Tobacco Tax Act; R.S.Q. 1964, c. 72 and amend- ments.  By cigarette; by retail price of cigars and other manufactured tobacco.			
3	Rate	Cigarettes - 1¢ each  Cigars from: 1¢ to 4¢- 2¢ each 5¢ " 7¢- 3¢ " 8¢ " 15¢- 4¢ " 16¢ " 25¢- 8¢ " 26¢ " 35¢- 12¢ " 36¢ " 46¢- 16¢ " 46¢ up - 20¢ "  Other tobacco products 4¢ per 1/2 oz. unit or part thereof.	Cigarettes - 2/5 of 1¢ each  Cigars from: 1¢ to 9¢ - 1¢ each 10¢ "15¢ - 2¢ " 16¢ "21¢ - 3¢ " 22¢ "27¢ - 4¢ " 28¢ "33¢ - 5¢ " 34¢ "39¢ - 6¢ " 40¢ "45¢ - 7¢ " 46¢ up - 20%  Other smoking tobacco products - 20%.	Cigarettes -4/10 of 1¢ each Cigars and other tobacco products -10%.	Cigarettes -2/5 of 1¢ each Cigars -1¢ for each 5¢ or part thereof Other tobacco products -4¢ per ounce or part thereof.	Cigarettes -2/5 of 1¢ each Cigars from: 5¢ to 10¢ -1¢ each 10¢ up -20% Manufactured tobacco - 20% of retail price.			
4	Comments	There are certain exemptions on tobacco purchases by bona fide tourists and for other categories such as ships stores. There is no tax on a plug of tobacco.	-	Tax levied under the same statutory authority as the general sales tax.	_	No tax is levied on raw leaf tobacco or on cigars sold at 5¢ each, or less			
5	Hospitalization and medical care premiums and payroll taxes  Statutory authority	-	_	-	_	Health Insurance Act; R.S.Q. 1970, c. 37 and amendments			
6	Basis	-	-	-	-	Gross salaries paid to employees who report for work in an establishment in Quebec. 8/10 of 1%			
8			-	-	_	The proceeds of this levy are earmarked for medical care.  Individuals also pay a special medical care income tax. See Table 2 under Quebec.			

TABLE 5. Miscellaneous Provincial Taxes - Continued

	1	ABLE 5. MISCEIIane	eous Provincial Taxe	s - Continued			
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
The Tobacco Tax Act; R.S.O. 1970, c. 463 and amendments.  By cigarette; by retail price of cigars; by weight for other to- bacco products.	The Tobacco Tax Act; R.S.M. 1970, c. T 80 and amendments.  By cigarette; by retail price of cigars; by weight for other manufactured tobac- co.	The Tobacco Tax Act; R.S.S. 1965, c. 68 and amendments.  By cigarette; by retail price of cigars and by weight for other tobacco products.	The Tobacco Tax Act; R.S.A. 1970, c. 364 and amendments.  By cigarette; by retail price of cigars and by weight for tobacco (including plugs and snuff).	The Cigarette and Tobacco Tax Act; R.S.B.C. 1971, c. 7.  By cigarette; by retail price of cigars; by weight for other tobacco products.	-	-	1 2
Cigarettes -0.46 of 1¢ each Cigars from: 1¢ to 7¢-1¢ each 8¢ "10¢-2¢ " 11¢ up-1¢ additional tax for each additional 5¢ of retail price Other tobacco products -2 1/2¢ per 1/2 ounce (or part thereof).	Cigarettes - 3/5 of 1¢ each Cigars: 4¢ or less - 1¢ each 5¢ to 8¢ - 2¢ " 9¢ " 12¢ - 3¢ " 13¢ " 16¢ - 4¢ " 17¢ " 20¢ - 5¢ " 21¢ " 36¢ - 9¢ " 37¢ " 34¢ - 11¢ " 44¢ " 52¢ - 13¢ " 53¢ up - 15¢ "	Cigarettes—9/25 of 1¢ each Cigars: up to 7¢— 1¢ each 8¢ to 15¢— 2¢ '' 16¢ '' 25¢— 4¢ '' 26¢ '' 35¢— 6¢ '' 36¢ '' 45¢— 8¢ '' over 45¢— 10¢ '' Other tobacco—2¢ per 1/2 oz. or fraction thereof.	Cigarettes -8/25 of 1¢ each Cigars: 7¢ or less -1¢ each 8¢ to 15¢ -2¢ " 16¢ " 22¢ -3¢ " 23¢ " 32¢ -5¢ " 33¢ " 42¢ -7¢ " over 43¢ -9¢ "  Tobacco -2¢ per 1/2 oz. or fraction thereof.	Cigarettes - 8/25 of 1¢ each 1¢ each Cigars: 7¢ or less - 1¢ each 8¢ to 15¢ - 2¢ " 16¢" 22¢ - 3¢ " 23¢" 32¢ - 5¢ " 33¢" 42¢ - 7¢ " over 43¢ - 9¢ " Other tobacco products - 2¢ per 1/2 oz. or part thereof.	-	-	3
-	ucts -3¢ per 1/2 ounce unit	-	_	-		-	4
The Health Insurance Act; R.S.O. 1972, c. 91.	-	(a) The Saskatchewan Hospitalization Act; R.S.S. 1965, c. 253 and amendments. (b) The Saskatchewan Medical Care Insurance Act; R.S.S. 1965, c. 255 and amendments.	The Health Insurance Premiums Act; R.S.A. 1969, c. 45 and amendments.	Medical Services Act; R.S.B.C. 1967, c. 24.	Health Care Insurance Plan Ordinance; 1971 (1st), c. 15.	-	5
Monthly premiums	-	Annual premiums	Annual premiums	Monthly premiums	Monthly pre- minms	_	6
Single	-	(a) Single \$24.00 Family \$48.00 (b) Single \$12.00 Family \$24.00	Single\$69.00 Family\$138.00 A \$5.00 non-insurable registration fee is levied.	Family of three or	Single\$ 6.50 Family of two\$12.50 Family of three ormore \$14.50	-	7
Premiums are waived for welfare recipients and persons 65 years of age and over.  The province subsidizes 100% of the premium of persons with no taxable income and 50% of the premiums of single persons with taxable income of less than \$1,000 and families with taxable income of less than \$2,000.  Hospitalization and medical care premiums are combined.	_	Welfare recipients and persons 65 years of age and over do not have to pay premiums  The two premiums are collected jointly.	Persons 65 years of age and over do not have to pay premiums.  Premiums are reduced to \$24.00 for single persons and \$48.00 for families with no taxable income; they are reduced to \$36.00 for single persons whose taxable income does not exceed \$500.00 and \$72.00 for families whose combined taxable income does not exceed \$1,000.00.  Hospitalization and medical care contibutions are combined.	The hospital insurance program is financed from general tax revenue.  The province subsidizes 90% of the premiums of persons with no taxable income in the previous year and 50% of the premiums of persons with taxable income not in excess of \$1,000 in the previous year.	The Territory subsidizes 100% of the premiums of persons with no taxable income and 50% of the premiums of single persons with taxable income of less than \$500, of families of two with taxable income of less than \$1,000 and of families of three or more with taxable income less than \$1,300.		8

TABLE 5. Miscellaneous Provincial Taxes - Concluded

		TABLE 5. Misce	llaneous Provincial Taxes	- Concluded	
No.		Newfoundland	Prince Edward Island	Nova Scotia	Quebec
1	Other taxes	Telegraph and wireless tax	-	Tax on long-distance telephone calls	Telecommunications
2	Statutory authority	The Telegraph Tax Act; R.S.N. 1952, c. 33.	-	Corporations Tax Act; R.S.N.S. 1967, c. 61.	Telecommunications Tax Act; 1965, c. 28.
3	Basis	(a) by telegraph cables to places outside the province;     (b) by wireless station communicating with any place, ship, or vessel outside the province; and	-	Toll charge	Price of telecommunication
		(c) amount received for telegra- phic messages passing over the land lines, or transmitted or received within the prov- ince.			
4	Rate	(a) \$4,000 per cable (max. tax \$20,000). (b) \$4,000 per station. (See com- ment). (c) 1%	-	5¢ for each 50¢ toll charge or part thereof.	8%
5	Comments	<ul> <li>(a) No-tax is charged if the purpose of the wireless station is only for the reporting of passing ships or vessels.</li> <li>(b) If messages originate or are delivered in any place outside the province, no tax applies.</li> </ul>		Tolls under 25¢ are exempt.	Applicable to long distance tele- phone calls, telegrams and other telecommunications.
6	Name of tax	-	Tax on alcoholic beverages	_	Meals and lodging tax
7	Statutory authority	-	The Health Tax Act; S.P.E.I. 1951, c.71 and amendments.	uin.	Meals and Hotels Tax Act; R.S.Q. 1964, c.73 and amendments.
8	Basis	-	Retail price	-	On meals priced \$1.50 and over, on alcoholic beverages, on any aerated water to which essence or syrup has been àdded, and on price of lodging.
9	Rate	~	10%	_	8%
10	Comments		Retail sales are made through	_	The tax is not payable by persons
			provincial government liquor stores.		employed in an establishment on the price of lodging and meals (not including alcoholic beverages and aerated water) supplied to them by the person who keeps the establishment. Beer served in a tavern is not taxable
1	Name of tax		_	-	Logging tax
1:	2 Statutory authority	<del>-</del>	_	_	Logging Tax Act; R.S.Q. 1964, c.68 and amendments.
1	Basis	. –	_	-	Income (as defined).
1	4 Rate	-	-	-	10%
1	5 Comments	,	-	-	Full exemption is allowed where income is less than \$10,000; where income exceeds \$10,000, the tax is paid on the total income including the \$10,000.

TABLE 5. Miscellaneous Provincial Taxes - Concluded

				is Provincial Taxes -	Concluded		
	Ontario	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No
	sional boxing and stling events	-	_		Fur tax	Fur tax	No.
The Athl R.S.O.	etics Control Act; 1960, c. 26.	_	-	-	Fur Export Ordinance; R.O.Y.T. 1958, c. 49	Die Frank O.d.	
fession	eceipts of pro- nal boxing and ing events.	-	-	-	and amendments.  Per pelt exported	Per pelt exported \$1.00.	3
	2%	-	_	-	Various rates	-	4
	~	-	-	-	Rates are established by regulations with a range from 1¢ to \$5.00 per pelt.	-	5
Land	transfer tax	Motor vehicle insurance tax	Bus mileage tax	Hotel and motel	Alcoholic beverages tax	Alcoholic	6
Act: R.	Transfer Tax S.O. 1970, c.235 endments.	The Motor Vehicle Insurance Premiums Tax Act; 1967, c. 19.	The Public Service Vehi- cles Act; R.S.A. 1970, c.300 and amendments.		Government Liquor Ordin- ance; R.O.Y.T. 1970(1st session), c. 3.	heverages tax  Alcohol Ordinance; R.O. 1956, c. 60.	7
archase	price	Gross premiums receivable	By passenger mile	Purchase price of accom- modation in hotels and motels	By the bottle, flask, or gallon	Establishment's purchase price; by the bottle.	8
pto\$35,	000 – 3/10 of 1% 000 – 3/5 of 1%	1%	1/15 of 1¢ per passenger mile on hard surface roads; 2/45 of 1¢ per passenger mile on gravel roads.		10¢ on each dozen bottles of beer 10¢ on each half-bottle of table wine 20¢ on each half-bottle of fortified wine 45¢ on each bottle of fortified wine 20¢ on each bottle of fortified wine 50¢ on each bottle of spirits 50¢ on each bottle of spirits 10¢ on each gallon of draft beer	3% in establishments with no dining room (minimum \$50.00) 2% in establishments with dining rooms (minimum \$50.00) 1% in private clubs, canteens plus \$1.00 per dozen imported beer \$1.00 per 25 oz. bottle of imported spirits or for 26 oz. bottles of imported wine.	
	_	-	-	-	_	-	10
	-	-	-	Logging tax	-	_	11
		-	enu.	Logging Tax Act; R.S.B.C. 1960, c. 225 and amendments.	-	-	12
	-	-	-	Net income	-	_	13
	~	-	-	15% where net income exceeds \$10,000.	-	-	14
		-	-	Full exemption is allowed where net income is less than \$10,000, where net income exceeds \$10,000; the tax is paid on the total net income including the first \$10,000.  Tax credit of 20% of tax is provided under the provincial income Tax Act. Two-thirds may be deducted from federal income tax under the provisions of the federal Income Tax Act.	-	-	15



### PART IV

REAL PROPERTY TAXES



#### **GENERAL**

Real property taxation is largely a local government preserve in Canada. In recent years, however, certain provincial governments have assumed responsibilities that have traditionally been regarded as local in

character and, simultaneously, have preempted a substantial proportion of the real property tax field. The federal government does not impose any real property tax.

#### **Provincial Governments**

Provincial property taxes are levied by New Brunswick at the rate of 1-1/2% of fair market value on all land and buildings in the province; a similar tax is also imposed on business occupancy. The revenue from these levies is nor earmarked for any specific purpose; their imposition, however, coincided with the assumption by the Province of responsibility for the provision of services in the areas of education, health, welfare and administration of justice which had been provided by local governments.

Prince Edward Island has in operation a programme somewhat similiar to that of New Brunswick. A tax of 1% (1-1/10% prior to 1973) is imposed on the fair market value of all real property in the province; a further 1% (1-1/10% prior to 1973) is assessed against the fair market value of business property. The implementation of this programme coincided with the assumption by the Province of responsibility for the provision

of primary and secondary education, responsibility which had hitherto rested with local governments. (Health and welfare services in the various localities were already provided by the provincial government from other revenue sources.)

Certain other provinces also impose property taxes but these are not significant from a revenue standpoint. Nova Scotia levies a "land tax" of limited application. In unorganized (non-municipal) areas, the Province of Ontario imposes a property tax of 1-1/2% of assessed value with a minimum annual tax of \$6.00 in respect of any land. British Columbia also imposes a property tax in unorganized (non-municipal) areas at varying rates ranging from 1/2 of 1% of the assessed value of farm land to 7% for (operating) coal land. The Yukon Territory levies a property tax on the "fair value" of all real property (non-municipal) at a rate determined each year.

#### **Local Governments**

The principal revenue available to local governments from their own sources is that generated by the tax levied on real property situated within their boundaries. Generally speaking, municipalities set the rates and collect the proceeds of this levy themselves or do so on behalf of other local governments in their areas. Exceptions to this practice are found in New Brunswick and Prince Edward Island, where the municipalities set rates but where imposition and collection are carried out by the provincial governments, and in most of Quebec outside the Montreal area, and in the unorganized parts of Ontario where school boards levy their own real property taxes.

The real property tax rate is expressed in mills per dollar (or dollars per \$100) of the taxable assessed value of taxable property. Actual mill rates and assessment practices vary widely among municipalities. In fact, the real property tax in a municipality depends on the location and physical make-up of the municipality, the type and level of services that it provides, the financial assistance that it receives from other governments, and the methods that it uses to discharge its financial responsibilities. Thus each municipality's real property tax rate is unique and valid rate comparisons between different municipalities are very difficult to make. An exercise has been undertaken to present rate-related data on total real property taxation in Canada; the nature of

the presentation and the results obtained are described below under the heading "real property tax rates".

# Tax Credits or Subsidies in Respect of Real Property Tax

Measures have been adopted by the provincial governments of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia to alleviate the burden of real property taxation.

In Ontario, relief is provided by means of an income tax credit which is claimed by the individual in the household who has the highest taxable income. Single individuals living in premises which they own or rent are also eligible for the credit. Entitlement to relief is established by means of a formula that takes account of real property tax paid (in the case of an owneroccupied dwelling) or rent (in the case of rented residential premises) and of taxable income. To a basic \$90 is added either 10% of real property tax paid for the year or 2% of annual rent. From the amount thus established is subtracted 1% of the claimant's taxable income; the residual, if positive, is the amount of the credit that can be claimed. Where annual property tax for the year is less than \$90 or where annual rent is less than \$450, the tax credit entitlement is the actual property tax paid or 20% of rent paid minus 1% of

taxable income. Individuals without taxable income are eligible for a minimum credit of \$100. The maximum credit that can be claimed is \$200.

The relief provided by Manitoba also takes the form of an income tax credit. Entitlement to relief is established by means of a formula that sets the credit at \$200 (raised from \$140 in 1972) less 1% of taxable income subject to the provision that the amount of the credit cannot be less than \$100 (raised from \$50 in 1972). The formula applies in respect of owner-occupied dwellings and rented premises where the annual rent is \$1000 or more. For rented premises where the annual rent is less than \$1000, the credit is equal to either 20% (raised from 10% in 1972) of the rent paid or an amount equal to that established by means of the general formula, whichever is the lesser.

In Saskatchewan, real property tax relief is provided by means of a grant equal to 18 mills (raised from 13 mills in 1972) of assessed value up to a maximum assessed value of \$10,000 for a small business and \$15,000 for a farm. The grant payable to the home owner is the lesser of 1/2 of real property taxes paid or \$144 (raised from \$60 in 1972).

In Alberta, the home-owner tax subsidy programme and the Senior Citizens Shelter Act were repealed and replaced by the property tax reduction plan in 1973. Under the plan a grant of as much as \$216 is made in respect of an owner-occupied dwelling and an income tax credit which takes account of taxable income is allowed in respect of rented residential accommodations. This income tax credit is established by adding to a basic \$100 an amount equal to 2% of annual rent and by subtracting from the total 1% of the claimant's taxable income. The maximum credit that can be claimed in respect of rented accommodations is \$100.

In British Columbia, real property tax relief is provided by way of grant. Every home owner is entitled to an annual grant of \$200 in 1973 (raised from \$185 in 1972). The grant takes the form of a reduction of indebtedness on account of real property tax. Every home owner aged 65 or over is entitled to an additional \$50 grant which brings his total property tax relief to \$250 in 1973 (raised from \$235 in 1972). Where real property tax for the year is less than \$200 for a home-owner of less than 65 years of age or less than \$250 for a home-owner aged 65 or over, the grant is equal to the amount of real property tax less \$1. Individuals aged 65 or over who rent residential accommodations receive a grant of \$50 a year.

#### **Real Property Tax Rates**

There is great difficulty in presenting rates of real property tax that are comparable from province to province. The major obstacle in the way of any attempt to such a presentation is the fact that assessment of real property value fluctuates widely from local government to local government. In provinces where a certain uniformity of assessment is enforced, comparability may exist among local governments of that province but not with those of the other provinces unless, of course, all provinces were to resort to the same assessment system. This, however, is not the case and, generally speaking, there is little way of comparing real property tax rates among provinces. In practice several assessment systems are used; all relate to some kind of value assessed against taxable property ranging from various percentages of fair market value to fair market value itself. However, even if fair market value is used as a yardstick in most cases, there is no guarantee that such value is current. Readjustments of fair market value can be made but the time intervals between such readjustments are irregular and the readjustments themselves are often quite arbitrary.

To present some kind of rate-related data that can claim to hold a certain degree of interprovincial comparability, relationships of tax yield to some common base variable have to be developed. In the 1968, 1969 and 1970 editions, implicit rates of taxation were derived by taking the ratio of actual tax to market value for a representative or typical piece of property. This did not prove satisfactory because of the difficulties encountered in defining what could be considered as a representative or typical piece of property in all municipalities and also in assigning what could be termed a median fair market value to such property since fair market value fluctuates significantly from area to area even within a same locality. The technique was dropped in the 1971 edition. After much consideration of the problem, it has now been concluded that relationships of tax yields to certain non-financial indicators with common denominator implications for all provinces may be useful in portraying certain trends and comparisons.

Unfortunately not too many of these non-financial common denominators are available but population may be considered to be one of them since residential facilities and the industrial, commercial, and institutional premises necessary to shelter the needs and activities of a community bear some relationship to its population. As population grows, so do its real property requirements. With this consideration in mind, a table has been constructed providing data on real property tax per capita in Canada and in the provinces for the years 1967 to 1971 inclusive. The real property tax revenue of provincial and local governments have been combined to promote interprovincial comparability. Because of a special situation prevailing in Newfoundland, optimum interprovincial comparability could not be achieved at least as far as this province is concerned. Schools in Newfoundland are still, by and large, private institutions and thus fall outside the ambit of government. This explains why the figures for this province appear so much out of line with those of the other Atlantic provinces.

Real Property Tax per Capita, 1967 to 1971

	1967 (Act.)	1968 (Act.)	1969 (Act.)	1970 (Act.)	1971 (Est.)
			dollars		
Newfoundland Prince Edward Island Nova Scotia New Brunswick Quebec Ontario Manitoba Saskatchewan Alberta British Columbia Yukon Northwest Territories  Canada	9.46 37.50 59.86 52.12 92.76 138.93 97.00 124.95 110.40 115.60 27.40 21.66	11. 74 49. 76 77. 88 55. 62 103. 20 151. 47 115. 69 132. 77 124. 80 137. 85 15. 87 20. 52	12. 07 59. 64 71. 57 59. 39 114. 34 166. 29 127. 89 146. 13 135. 45 152. 41 61. 80 26. 19 133. 97	14. 03 49. 90 83. 06 67. 42 117. 10 177. 29 129. 71 151. 86 136. 91 169. 77 85. 88 31. 18	14.77 50.96 92.38 74.31 123.14 184.93 144.18 157.52 143.65 181.30 89.83 33.46

Sources: Statistics Canada, Local Government Finance - Preliminary and Estimates, (Catalogue 68-203); Statistics Canada, Local Government Finance - Actual (Catalogue 68-204); Statistics Canada, Provincial Government Finance - Revenue and Expenditure (Estimates) (Catalogue 68-205); Statistics Canada, Provincial Government Finance - Revenue

The information provided by the table is interesting in that it illustrates the extent of the relative exploitation of the real property tax field in Canada. However an important qualification is warranted. The figures used are gross figures, i.e., they do not reflect the tax credits or subsidies in respect of real property tax in certain provinces. Thus the effective burden of real property taxation in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia is less, and appreciably less in certain instances, than is portrayed above. The purpose of the table is to provide some comparison of real property tax yield in the various provinces and not necessarily to compare the effective real property tax burden for the individual.

The information provided by the table is also interesting in that it provides a measure of the secular increase in taxation. Since the data is on a per capita basis, the element of increase in tax yield due to increased population or enlargement of the real property stock is, to some extent, discounted. What remains is the element of tax increase caused either by increases in mill rates or reassessments of taxable value. Upward adjustments of taxable value amount to a form of tax increase; however, they are not made solely in the spirit of increasing taxes but also in the spirit of maintaining some kind of relationship to fair market value. Thus they also reflect something which is not tax increase but the working of the inflationary process.



## PART V

HISTORICAL SUMMARIES
OF SELECTED TAXES

#### mo Taxes levied by the Federal Government, 1963 to 1973

TABLE I. Historical Summary of the Personal Income	
1963	1966
DATES	RATES
RATES  Basic" personal income tax (excluding old age security tax):	Same as 1964.
11% on first \$1,000 of taxable income	EXEMPTIONS AND DEDUCTIONS
\$ 110 on \$ 1,000 plus 14% on next \$ 1,000 250 '' 2,000 '' 17% '' '' 1,000	Same as 1963, except that a separate deduction is allowed for union
420 " 3,000 " 19% " " 1,000 610 " 4,000 " 22% " " 2,000 1,050 " 6,000 " 26% " " 2,000	professional dues in addition to the standard deduction of \$100 and the \$500 deduction for a taxpayer between the ages of 65 and 70 is celled if he is in receipt of old age security benefits.
2,170 ** 10,000 ** 35% ** 2,000 2,870 ** 12,000 ** 40% ** 3,000	TAX ABATEMENTS, REDUCTIONS AND CREDITS  Increase in the provincial income tax abatement to 24% in all provin
8,570 " 25,000 " 50% " " 15,000 16,070 " 40,000 " 55% " " 20,000	other than Quebec, and 47% in Quebec.  Cancellation of the tax reduction enacted in 1965 and provision of
25,070 '' 90,000 '' 65% '' '' 35,000 '' 67,820 '' 125,000 '' 70% '' '' 100,000 '' 137,820 '' 225,000 '' 75% '' '' 175,000 '' 269,070 '' 400,000 '' 80% '' remainder	separate tax reductions equal to 4% of "basic" personal income (maximum \$240) and 12% of "basic" personal income tax (maximum \$ The credit for dividends from Canadian corporations remains at 20% c amount of dividends received.
Old age security tax: 3% of taxable income (maximum \$90).	1967
Tax on investment income from sources outside Canada: 4% of the taxpayer's income from investment outside Canada, after deduction of \$2,400 or the total of his personal exemptions, whichever	RATES
is greater, plus allowable charitable donations and medical expenses.  EXEMPTIONS AND DEDUCTIONS	Same as 1964 except for an increase from 4% (maximum \$120) to 4% (m mum \$240) in the old age security tax rate.
Single \$1,000 Married 2,000	EXEMPTIONS AND DEDUCTIONS Same as 1966.
Dependants: Child under 16 300	
Other dependant	TAX ABATEMENTS, REDUCTIONS AND CREDITS  Increase in the provincial income tax abatement to 28% in all provi
Charitable donations, medical expenses and union dues:	other than Quebec, and 50% in Quebec.  The tax reductions of the previous year are changed to a single redu
Charitable donations: Up to 10% of income.	equal to 20% of "basic" personal income tax (maximum \$20).
Medical expenses: Over 3% of income.	The credit for dividends from Canadian corporations remains at 20% of amount of dividends received.
Union or professional dues: No restriction.	1968
or Standard deduction of \$100 (in lieu of claiming deductions for charitable	RATES
donations, medical expenses and union or professional dues).	Same as 1967 except for the imposition of a surtax equal to 3% of t
TAX ABATEMENTS, REDUCTIONS AND CREDITS	personal income tax in excess of \$200.
Provincial income tax abatement: 17% of "basic" personal income tax.	EXEMPTIONS AND DEDUCTIONS
Credit for dividends from Canadian corporations:	Same as 1966.
20% of the amount of dividends received.	TAX ABATEMENTS, REDUCTIONS AND CREDITS
1964	Same as 1967.
RATES Same as 1963 except for an increase from 3% (maximum \$90) to 4% (maxi-	1969
mum \$120) of the old age security tax rate.	RATES
EXEMPTIONS AND DEDUCTIONS Same as 1963.	Same as 1968 except for the imposition of a social development tax to 2% of taxable income (maximum \$120).
TAX ABATEMENTS, REDUCTIONS AND CREDITS	EXEMPTIONS AND DEDUCTIONS
Same as 1963, except for an increase in the provincial tax abatement from 17% to 18%.	Same as 1966.
1965	TAX ABATEMENTS, REDUCTIONS AND CREDITS Same as 1967.
RATES	1970
Same as 1964.	
EXEMPTIONS AND DEDUCTIONS Same as 1963.	RATES Same as 1969.
TAX ABATEMENTS, REDUCTIONS AND CREDITS	
Increase in the provincial income tax abatement to 21% in all provinces other than Quebec, and 44% in Quebec (the additional 23 percentage points in Quebec are in respect of fiscal compensation for opting out of certain federal-provincial shared cost programs).	EXEMPTIONS AND DEDUCTIONS  Same as 1966 except that the old age exemption of \$500 is restrict persons 70 years of age and over.
Provision of a tax reduction equal to 5% of "hasic" personal income tax	possons to Jours of age und over.

Provision of a tax reduction equal to 5% of "basic" personal income tax (maximum \$300).

The creditfor dividends from Canadian corporations remains at 20% of the amount of dividends received.

TAX ABATEMENTS, REDUCTIONS AND CREDITS

Same as 1967.

TABLE I. Historical Summary of the Personal Income Taxes levied by the Federal Government, 1963 to 1973 - Concluded

1971	1972
RATES	EVENDOTO NO AND DESCRIPTION
'Basic' personal income tax (excluding old age security tax):	EXEMPTIONS AND DEDUCTIONS
NII ON INSLADUO OI taxable income	Single\$1,5
\$ 240 " 2,000 " 18% " 1,000	Married
420 1 3,000 1 19% 1 1,000	Dependants:
1,050 " 6,000 " 26% " " 2,000	Child under 16 3 Other dependant 5
1,570 '' 8,000 '' 30% '' '' 2,000 2,170 '' 10,000 '' 35% '' '' 2,000	Student in full time attend
2,870 ' 12,000 ' 40% ' 3,000	Student in full-time attendance at a post- secondary educational institution
8,570 '' 25,000 '' 50% '' '' 15,000	Old age (taxpayers 65 years of age and over)
16,070 '' 40,000 '' 55% '' '' 20,000 27,070 '' 60,000 '' 60% '' '' 30,000	Taxpayer who is blind or coefficient to the state of the
45,070 ' 90,000 ' 65% ' 35,000	Taxpayer who is blind or confined to a wheelchair
137 820 " 225 000 " 750" " " 175 000	Charitable donations, medical expenses and union dues: Charitable donations:
269,070 '' 400,000 '' 80% '' remainder	Up to 20% of income. Medical expenses:
age security tax:	Over 3% of income.
% of taxable income (maximum \$240).	70
a social devial annuary to the second	Standard deduction of \$100(in lieu of claiming deductions for charitable
e social development tax is reduced to 2% of taxable income in excess of \$1,000 (maximum \$100).	donations and medical expenses).  Union or professional dues:
e surtax on basic personal income tax in excess of \$200 is reduced to	No restriction.
on investment income from sources outside Canada: % of the taxpayer's income from investment outside Canada, after de-	Child care expenses: \$500 for each child under 14 years of age (maximum \$2,000 per family
duction of \$2,400 or the total of his personal exemptions, whichever is greater, plus allowable charitable donations and medical expenses.	Employment expenses: Up to 3% of employment income (maximum \$150).
	Moving expenses: Removal expenses incurred by a taxpayer who changes job.
EXEMPTIONS AND DEDUCTIONS	TAX ABATEMENTS, REDUCTIONS AND CREDITS
e as 1970, except that the amount of any guaranteed income sup- lement payable under the Old Age Security Act is deductible in omputing taxable income.	Provincial income tax abatement: All provinces other than Quebec: Nil. Quebec:
	24% of federal personal income tax.
TAX ABATEMENTS, REDUCTIONS AND CREDITS	Tax reduction:
e as 1967 except for the report of the (thesist)	3% of basic personal income tax.  Dividend tax Credit:
eduction of 20% (maximum \$20) and the introduction of a tax cut equal of "basic" personal income tax (effectively 3% of "basic" ersonal income starting from July 1, 1971).	Individuals are allowed a credit for dividends which operates as fol lows: the amount of dividend received is increased by 33 1/2% and added to income and 20% of the ''grossed up'' dividend is allowed as a credi against tax.
1972	1973
CHANGES IN THE CONCEPT OF INCOME	RATES
	15% on the first \$500 of taxable income
er tax reform, income is broadened to include half of capital gains; alf of capital losses are deductible from capital gains brought into in-	\$ 75 on \$ 500 plus 18% on next \$ 500
	355 '' 2,000 '' 20% '' '' 1,000
oadened to include unemployment insurance benefits and other ceipts hitherto excluded from its ambit.	555 '' 3,000 '' 21% '' 2,000 975 '' 5,000 '' 23% '' '' 2,000
	1,435 7,000 25% 2,000
	2 475 ** 11 000 ** 31% ** ** 3 000
RATES	3,405 '' 14,000 '' 35% '' '' 10,000
on the first \$500 of taxable income	12,755 " 39,000 " 43% " " 21,000
85 on \$ 500 plus 18% on next \$ 500	21,785 " 60,000 " 47% " excess
175 " 1,000 " 19% " " 1,000	EVENDOIONG AND DECLERATION
365 '' 2,000 '' 20% '' '' 1,000	EXEMPTIONS AND DEDUCTIONS
565 " 3,000 " 21% " 2,000	Single
985 (4 5 000 44	Married
985 '' 5,000 '' 23% '' '' 2,000	
985 '' 5,000 '' 23% '' ' 2,000 445 '' 7,000 '' 25% '' ' 2,000	Other exemptions and deductions: Same as 1972.
985 '' 5,000 '' 23% '' '' 2,000 445 '' 7,000 '' 25% '' '' 2,000 945 '' 9,000 '' 27% '' '' 2,000	
985 '' 5,000 '' 23% '' 2,000 445 '' 7,000 '' 25% '' 2,000 945 '' 9,000 '' 27% '' 2,000 485 '' 11,000 '' 31% '' 3,000	Same as 1972.
985 '' 5,000 '' 23% '' 2,000 445 '' 7,000 '' 25% '' 2,000 945 '' 9,000 '' 27% '' 2,000 485 '' 11,000 '' 31% '' 3,000 415 '' 14,000 '' 35% '' 10,000	Same as 1972.  TAX ABATEMENTS, REDUCTION AND CREDITS
985 '' 5,000 '' 23% '' '' 2,000 445 '' 7,000 '' 25% '' '' 2,000 945 '' 9,000 '' 27% '' '' 2,000 485 '' 11,000 '' 31% '' '' 3,000 415 '' 14,000 '' 35% '' '' 10,000 915 '' 24,000 '' 39% '' '' 15,000	Same as 1972.
985 '' 5,000 '' 23% '' '' 2,000  445 '' 7,000 '' 25% '' '' 2,000  945 '' 9,000 '' 27% '' '' 2,000  485 '' 11,000 '' 31% '' '' 3,000  415 '' 14,000 '' 35% '' '' 10,000  915 '' 24,000 '' 39% '' '' 15,000  765 '' 39,000 '' 43% '' '' 21,000	Same as 1972.  TAX ABATEMENTS, REDUCTION AND CREDITS  Provincial income tax abatement: Same as 1972.  Tax reduction:
985 '' 5,000 '' 23% '' '' 2,000  445 '' 7,000 '' 25% '' '' 2,000  945 '' 9,000 '' 27% '' '' 2,000  485 '' 11,000 '' 31% '' '' 3,000  415 '' 14,000 '' 35% '' '' 10,000  915 '' 24,000 '' 39% '' '' 15,000  765 '' 39,000 '' 43% '' '' 21,000	Same as 1972.  TAX ABATEMENTS, REDUCTION AND CREDITS  Provincial income tax abatement: Same as 1972.

TABLE II. Historical Summary of the Personal Income Taxes levied by the Province of Quebec, 1963 to 1973

1963	1965
RATES	EXEMPTIONS AND DEDUCTIONS
2.5% on first \$1,000 of taxable income \$25 on \$1,000 plus 2.8% on next \$1,000	Same as 1963.
\$ 25 on \$ 1,000 plus 2.8% on next \$ 1,000 53 '' 2,000 '' 3.2% '' '' 2,000	TAX CREDIT
117 '' 4,000 '' 3.6% '' '' 2,000	The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.
189 " 6,000 " 4.7% " 2,000	
283 '' 8,000 '' 5.4% '' '' 2,000	1966
391 '' 10,000 '' 6.3% '' '' 2,000 517 '' 12,000 '' 7.2% '' '' 3,000	
517 '' 12,000 '' 7.2% '' '' 3,000 733 '' 15,000 '' 8.1% '' '' 10,000	RATES
1,543 " 25,000 " 9.0% " " 15,000	5.2% on first \$1,000 of taxable income
2,893 '' 40,000 '' 9.9% '' '' 20,000	\$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000 118 '' 2,000 '' 8.0% '' '' 1,000
4,873 " 60,000 " 10.8% " " 30,000	198 ' 3,000 ' 8,9% ' ' 1,000 287 ' 4,000 ' 10.3% ' ' 2,000
8,113 '' 90,000 '' 11.7% '' '' 35,000	493 '' 6,000 '' 12.2% '' '' 2,000 737 '' 8,000 '' 14.1% '' '' 2,000
12,208 '' 125,000 '' 12.6% '' '' 100,000 24,808 '' 225,000 '' 13.5% '' '' 175,000	1.019 " 10.000 " 16.5% " " 2.000
48.433 " 400,000 " 14.4% " remainder	1,913 " 15,000 " 21.2% " " 10,000
Tax on investment income:	4,033 '' 25,000 '' 23.5% '' '' 15,000 7,558 '' 40,000 '' 25.9% '' '' 20,000
½ of 1% of such income in excess of the greater of \$2,400 or the total	12,738 '' 60,000 '' 28.2% '' '' 30,000
of personal exemptions.	31.908 '' 125.000 '' 32.9% '' '' 100,000
EXEMPTIONS AND DEDUCTIONS	64,808 '' 225,000 '' 35.3% '' '' 175,000 126,583 '' 400,000 '' 37.6% '' remainder
Single	Tax on investment income:
Married2,000	½ of 1% of the taxpayer's income from investment outside Canada, after deduction of \$2,400 or the total of his personal exemptions whichever
Dependants:	is greater, plus allowable charitable donations and medical expenses.
Child under 16         300           Other dependant         550	
Old age (taxpayer 65 years of age or over) 500	EXEMPTIONS AND DEDUCTIONS
Other deductions: Similar to federal income tax deductions in Table I.	Same as 1963.
	TAX CREDIT
TAX CREDIT	Same as 1965.
Credit for dividends received from Canadian corporations equal to 15% of	1967
the federal credit.	
1964	RATES
RATES	5.5% on first \$1,000 of taxable income
Same as 1963.	\$ 55 on \$ 1,000 plus 7.0% on next \$ 1,000
EXEMPTIONS AND DEDUCTIONS	210 " 3 000 " 9.5% " " 1.000
Same as 1963.	305 " 4,000 " 11.0% " " 2,000 525 " 6,000 " 13.5% " " 2,000
	785 '' 8,000 '' 15.0% '' '' 2,000 1.085 '' 10.000 '' 17.5% '' '' 2.000
TAX CREDIT	1 1,435 " 12,000 " 20.0% " " 3,000
	2.035 ** 15.000 ** 22.5% ** ** 10.000
Same as 1963.	2,035 '' 15,000 '' 22.5% '' '' 10,000 4.285 '' 25,000 '' 25,0% '' '' 15,000
Same as 1963.  1965	2,035 " 15,000 " 22,5% " " 10,000 4,285 " 25,000 " 25,0% " " 15,000 8,035 " 40,000 " 27,5% " " 20,000
	2,035 " 15,000 " 22,5% " " 10,000 4,285 " 25,000 " 25,0% " " 15,000 8,035 " 40,000 " 27,5% " " 20,000 13,535 " 60,000 " 30,0% " " 30,000 22,535 " 90,000 " 32,5% " " 35,000 33,910 " 125,000 " 35,0% " " 100,000 68,910 " 225,000 " 37,5% " " 175,000
1965 RATES	2,035 " 15,000 " 22,5%" " 10,000 4,285 " 25,000 " 25,0%" " 15,000 8,035 " 40,000 " 27,5%" " 20,000 13,535 " 60,000 " 30,0%" " 30,000 22,535 " 90,000 " 32,5%" " 35,000 33,910 " 125,000 " 35,0%" " 100,000 68,910 " 225,000 " 37,5%" " 175,000 134,535 " 400,000 " 40,0%" remainder
1965  RATES  4.8% on first \$1,000 of taxable income \$ 48 on \$ 1,000 plus 6.2% on next \$ 1,000	2,035 " 15,000 " 22.5%" " 10,000 4,285 " 25,000 " 25.0% " " 15,000 8,035 " 40,000 " 27.5%" " 20,000 13,535 " 60,000 " 30.0% " " 30,000 22,535 " 90,000 " 32.5%" " 35,000 33,910 " 125,000 " 35.0%" " 100,000 68,910 " 225,000 " 37.5%" " 175,000
1965  RATES  4.8% on first \$1,000 of taxable income \$ 48 on \$ 1,000 plus 6.2% on next \$ 1,000 110 '' 2,000 '' 7.5% '' '' 1,000 185 '' 3,000 '' 8.4% '' 1,000	2,035 " 15,000 " 22.5%" " 10,000 4,285 " 25,000 " 25.0%" " 15,000 8,035 " 40,000 " 27.5%" " 20,000 13,535 " 60,000 " 30.0%" " 30,000 22,535 " 90,000 " 32.5%" " 35,000 33,910 " 125,000 " 35.0%" " 100,000 68,910 " 225,000 " 37.5%" " 175,000 134,535 " 400,000 " 40.0%" remainder  Tax on investment income: Rate increased to 2%; same base as 1966.
### Tes  ###################################	2,035 " 15,000 " 22.5%" " 10,000 4,285 " 25,000 " 25.0%" " 15,000 8,035 " 40,000 " 27.5%" " 20,000 13,535 " 60,000 " 30.0%" " 30,000 22,535 " 90,000 " 32.5%" " 35,000 33,910 " 125,000 " 35.0%" " 100,000 68,910 " 225,000 " 37.5%" " 175,000 134,535 " 400,000 " 40.0%" remainder  Tax on investment income: Rate increased to 2%; same base as 1966.  EXEMPTIONS AND DEDUCTIONS
### RATES  4.8% on first \$1,000 of taxable income  \$ 48 on \$ 1,000 plus 6.2% on next \$ 1,000   110 '' 2,000 '' 7.5% '' '' 1,000   185 '' 3,000 '' 8.4% '' '' 1,000   269 '' 4,000 '' 9.7% '' '' 2,000   463 '' 6,000 '' 11.4% '' '' 2,000   691 '' 8,000 '' 13.2% '' '' 2,000   955 '' 10,000 '' 15.4% '' '' 2,000	2,035 " 15,000 " 22,5%" " 10,000 4,285 " 25,000 " 25,0% " 15,000 8,035 " 40,000 " 27,5% " 20,000 13,535 " 60,000 " 30,0% " 30,000 22,535 " 90,000 " 32,5% " 35,000 33,910 " 125,000 " 35,5% " 100,000 68,910 " 225,000 " 37,5% " 175,000 134,535 " 400,000 " 40,0% " remainder  Tax on investment income: Rate increased to 2%; same base as 1966.  EXEMPTIONS AND DEDUCTIONS  The \$300 exemption for a child under 16 is repealed effective July 1, 1967 (this leaves a deduction of \$150 available for the taxation year
### RATES  4.8% on first \$1,000 of taxable income  \$ 48 on \$ 1,000 plus 6.2% on next \$ 1,000 110 '' 2,000 '' 7.5% '' '' 1,000 185 '' 3,000 '' 8.4% '' 1,000 269 '' 4,000 '' 9,7% '' '' 2,000 463 '' 6,000 '' 11.4% '' 2,000 691 '' 8,000 '' 13.2% '' 2,000 955 '' 10,000 '' 15.4% '' 2,000 1.263 '' 12.000 '' 17.6% '' 2,000	2,035 " 15,000 " 22.5%" " 10,000 4,285 " 25,000 " 25.0% " 15,000 8,035 " 40,000 " 27.5% " 20,000 13,535 " 60,000 " 30.0% " 35,000 22,535 " 90,000 " 32.5% " 35,000 33,910 " 125,000 " 35.0% " 100,000 68,910 " 225,000 " 37.5% " 175,000 134,535 " 400,000 " 40.0% " remainder  Tax on investment income: Rate increased to 2%; same base as 1966.  EXEMPTIONS AND DEDUCTIONS  The \$300 exemption for a child under 16 is repealed effective July 1, 1967 (this leaves a deduction of \$150 available for the taxation year 1967).
RATES  4.8% on first \$1,000 of taxable income \$ 48 on \$ 1,000 plus 6.2% on next \$ 1,000 110 ' 2,000 '' 7.5% '' '' 1,000 185 '' 3,000 '' 8.4% '' 1,000 269 '' 4,000 '' 9,7% '' 2,000 463 '' 6,000 '' 11.4% '' 2,000 691 '' 8,000 '' 13.2% '' 2,000 691 '' 8,000 '' 15.4% '' 2,000 1,263 '' 12,000 '' 17.6% '' 3,000 1,791 '' 15,000 '' 19.8% '' 10,000 3,771 '' 25,000 '' 22.0% '' 15,000	2,035 " 15,000 " 22,5%" " 10,000 4,285 " 25,000 " 25,0%" " 15,000 8,035 " 40,000 " 27,5%" " 20,000 13,535 " 60,000 " 30,0%" " 30,000 22,535 " 90,000 " 32,5%" " 35,000 33,910 " 125,000 " 35,5%" " 175,000 134,535 " 400,000 " 40,0%" remainder  Tax on investment income: Rate increased to 2%; same base as 1966.  EXEMPTIONS AND DEDUCTIONS  The \$300 exemption for a child under 16 is repealed effective July 1, 1967 (this leaves a deduction of \$150 available for the taxation year 1967).  Low income: No tax is payable if income does not exceed \$2,000 if single or \$4,000
RATES  4.8% on first \$1,000 of taxable income \$ 48 on \$ 1,000 plus 6.2% on next \$ 1,000 110 '' 2,000 '' 7.5% '' '' 1,000 185 '' 3,000 '' 8.4% '' '' 1,000 269 '' 4,000 '' 9.7% '' '' 2,000 463 '' 6,000 '' 11.4% '' '' 2,000 691 '' 8,000 '' 13.2% '' '' 2,000 691 '' 8,000 '' 17.6% '' '' 3,000 1,283 '' 12,000 '' 17.6% '' '' 3,000 1,791 '' 15,000 '' 19.8% '' '' 10,000 3,771 '' 25,000 '' 22.0% '' '' 15,000 7,071 '' 40,000 '' 24.2% '' '' 20,000 11,911 '' 60,000 '' 24.2% '' '' 30,000	2,035 " 15,000 " 22.5%" " 10,000 4,285 " 25,000 " 25.0% " 15,000 8,035 " 40,000 " 27.5% " 20,000 13,535 " 60,000 " 30.0% " 30,000 22,535 " 90,000 " 32.5% " 35,000 33,910 " 125,000 " 35.5% " 100,000 68,910 " 225,000 " 37.5% " 175,000 134,535 " 400,000 " 40.0% " remainder  Tax on investment income: Rate increased to 2%; same base as 1966.  EXEMPTIONS AND DEDUCTIONS  The \$300 exemption for a child under 16 is repealed effective July 1, 1967 (this leaves a deduction of \$150 available for the taxation year 1967).  Low income: No tax is payable if income does not exceed \$2,000 if single or \$4,000 if married.
RATES  4.8% on first \$1,000 of taxable income \$ 48 on \$ 1,000 plus 6.2% on next \$ 1,000 110 '' 2,000 '' 7.5% '' '' 1,000 185 '' 3,000 '' 8.4% '' 1,000 269 '' 4,000 '' 9.7% '' 2,000 463 '' 6,000 '' 11.4% '' 2,000 691 '' 8,000 '' 13.2% '' 2,000 691 '' 8,000 '' 15.4% '' 2,000 955 '' 10,000 '' 17.6% '' 3,000 1,791 '' 15,000 '' 19.8% '' 10,000 1,791 '' 15,000 '' 19.8% '' 10,000 3,771 '' 25,000 '' 22,0% '' 15,000 7,071 '' 40,000 '' 24.2% '' 20,000 11,911 '' 60,000 '' 26.4% '' 30,000 11,911 '' 60,000 '' 28.6% '' 35,000 29,841 '' 12,000 '' 18,8% '' 10,000	2,035 " 15,000 " 22,5%" " 10,000 4,285 " 25,000 " 25,0%" " 15,000 8,035 " 40,000 " 27,5%" " 20,000 13,535 " 60,000 " 30,0%" " 30,000 22,535 " 90,000 " 32,5%" " 35,000 33,910 " 125,000 " 35,5%" " 175,000 134,535 " 400,000 " 40,0%" remainder  Tax on investment income: Rate increased to 2%; same base as 1966.  EXEMPTIONS AND DEDUCTIONS  The \$300 exemption for a child under 16 is repealed effective July 1, 1967 (this leaves a deduction of \$150 available for the taxation year 1967).  Low income: No tax is payable if income does not exceed \$2,000 if single or \$4,000
RATES  4.8% on first \$1,000 of taxable income \$ 48 on \$ 1,000 plus 6.2% on next \$ 1,000 110 '' 2,000 '' 7.5% '' '' 1,000 185 '' 3,000 '' 8.4% '' 1,000 269 '' 4,000 '' 9,7% '' '' 2,000 463 '' 6,000 '' 11.4% '' 2,000 691 '' 8,000 '' 13.2% '' 2,000 955 '' 10,000 '' 15.4% '' 2,000 1,263 '' 12,000 '' 17.6% '' 3,000 1,791 '' 15,000 '' 19.8% '' '' 10,000 3,771 '' 25,000 '' 22.0% '' 15,000 7,071 '' 40,000 '' 24.2% '' 20,000 11,911 '' 60,000 '' 26.4% '' 30,000 11,911 '' 60,000 '' 26.4% ''' 30,000	2,035 " 15,000 " 22,5%" " 10,000 4,285 " 25,000 " 25.0%" " 15,000 8,035 " 40,000 " 27.5%" " 20,000 13,535 " 60,000 " 30.0%" " 30,000 22,535 " 90,000 " 32.5%" " 35,000 33,910 " 125,000 " 35.0%" " 100,000 68,910 " 225,000 " 37.5%" " 175,000 134,535 " 400,000 " 40.0%" remainder  Tax on investment income: Rate increased to 2%; same base as 1966.  EXEMPTIONS AND DEDUCTIONS  The \$300 exemption for a child under 16 is repealed effective July 1, 1967 (this leaves a deduction of \$150 available for the taxation year 1967).  Low income: No tax is payable if income does not exceed \$2,000 if single or \$4,000 if married.  Other exemptions and deductions: Same as 1963.
RATES  4.8% on first \$1,000 of taxable income \$ 48 on \$ 1,000 plus 6.2% on next \$ 1,000 110 ' 2,000 '' 7.5% '' '' 1,000 185 '' 3,000 '' 8.4% '' 1,000 269 '' 4,000 '' 9,7% '' '' 2,000 463 '' 6,000 '' 11.4% '' 2,000 691 '' 8,000 '' 13.2% '' 2,000 691 '' 8,000 '' 15.4% '' 2,000 1,263 '' 12,000 '' 17.6% '' 3,000 1,7263 '' 12,000 '' 19,8% '' 10,000 1,7371 '' 25,000 '' 22.0% '' 15,000 1,711 '' 40,000 '' 24.2% '' 20,000 11,911 '' 60,000 '' 24.2% '' 20,000 11,911 '' 60,000 '' 26.4% '' 30,000 19,831 '' 90,000 '' 28.6% '' 35,000 29,841 '' 125,000 '' 30.8% '' 100,000 60,641 '' 225,000 '' 30.8% '' 175,000	2,035 " 15,000 " 22,5%" " 10,000 4,285 " 25,000 " 25,0% " 15,000 8,035 " 40,000 " 27,5% " 20,000 13,535 " 60,000 " 30,0% " 30,000 22,535 " 90,000 " 32,5% " 35,000 33,910 " 125,000 " 35,0% " 100,000 68,910 " 225,000 " 37,5% " 175,000 134,535 " 400,000 " 40,0% " remainder  Tax on investment income: Rate increased to 2%; same base as 1966.  EXEMPTIONS AND DEDUCTIONS  The \$300 exemption for a child under 16 is repealed effective July 1, 1967 (this leaves a deduction of \$150 available for the taxation year 1967).  Low income: No tax is payable if income does not exceed \$2,000 if single or \$4,000 if married.  Other exemptions and deductions:

TABLE II. Historical Summary of the Personal Income Taxes levied by the Province of Quebec, 1963 to 1973 - Concluded

RATES  Same as 1967 except for the imposition of a % surtax on the provincial personal income tax.  EXEMPTIONS AND DEDUCTIONS  Same as 1967.  TAX CREDIT  Same as 1967.  EXEMPTIONS AND DEDUCTIONS  Same as 1967.  1969  LEXIMPTIONS AND DEDUCTIONS  Same as 1968.  EXIMPTIONS AND DEDUCTIONS  Same as 1969.  EXIMPTIONS AND DEDUCTIONS  Same as 1969.  EXIMPTIONS AND DEDUCTIONS  Same as 1967.  EXEMPTIONS AND DEDUCTIONS  Same as 1967.  Same as 1967.  Same as 1967.  EXEMPTIONS AND DEDUCTIONS  Same as 1967.  Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as 1968.  Same as 1969.  TAX CREDIT  Same as 1969.  EXEMPTIONS AND DEDUCTIONS  Same as 1967.  TAX CREDIT  TAX CREDIT   Credit for dividends from Canadian corporations:  Some as 1967.  EXEMPTIONS AND DEDUCTIONS  Same as 1967.  Lov income:  No Lox is approached the desired from 1979.  All other exemptions remain unchanced from 1979.  All other exemptions remain unc	1968	1972
Same as 1967 except for the imposition of a 6% sartax on the proving cial personal income tax.  EXEMPTIONS AND DEDUCTIONS  Same as 1967.  TAX CREDIT  1059  TAX CREDIT  1059  TAX CREDIT  1059  EXEMPTIONS AND DEDUCTIONS  Same as 1968.  RATES  Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as 1967.  TAX CREDIT  1970  RATES  Same as 1968 except for the imposition of a health insurance tax, at the income is salary, or \$200 otherwise), effective November 1, 1970.  1971  TAX CREDIT  TAX CREDIT  Same as 1967.  TAX CREDIT  Same as 1967.  TAX CREDIT  TAX CREDIT  TAX CREDIT  TAX CREDIT  Same as 1968.  RATES  Same as 1969 otherwise), effective November 1, 1970.  Same as 1969 of corresponding federal credit.  TAX CREDIT  TAX CREDIT  TAX CREDIT  TAX CREDIT  TAX CREDIT  Same as 1967.  TAX CREDIT  TAX CREDIT  TAX CREDIT  TAX CREDIT  Same as 1967.  EXEMPTIONS AND DEDUCTIONS  Same as 1967.  Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as 1967.  Same as 1968 over for the imposition of a health insurance tax, at the income is salary, or \$200 otherwise), effective November 1, 1970.  Same as 1967.  TAX CREDIT  TAX CREDIT  TAX CREDIT  Same as 1967.  EXEMPTIONS AND DEDUCTIONS  Same as 1967.  Same as 1967.  EXEMPTION AND DEDUCTIONS  Same as 1967.  Same as 1968.  EXEMPTION AND DEDUCTIONS  Same as 1969.  TAX CREDIT  TAX CREDIT  Credit for dividends from Canadian conporations:  Solve of corresponding federal credit.  TAX CREDIT  Credit for dividends from Canadian conporations:  Solve of corresponding federal credit.  TAX CREDIT  Credit for dividends from Canadian conporations:  Solve of corresponding federal credit.  Same as 1967.  EXEMPTIONS  Low income  And the purchase of certain fools and special clothing deductions and appeal of contain the complex of certain fools and special clothing deductions and special clo	RATES	RATES
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### ACCEPTIONS AND DEDUCTIONS    Same as at July 1, 1967.   TAX CREDIT	cial personal income tax.	
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TAX CREDIT  RATES  Same as 1969.  RATES  Same as 1969.  EXEMPTIONS AND DEDUCTIONS  Same as 1967.  TAX CREDIT  Same as 1968 except for the imposition of a health insurance tax, at the rate of 5/10 of 1% of met income (maximum; \$125 if at least % of net income for the imposition of a health insurance tax, at one rate of 5/10 of 1% of met income (maximum; \$125 if at least % of net income for the imposition of a health insurance tax, at one rate of 5/10 of 1% of met income (maximum; \$125 if at least % of net income for the imposition of a health insurance tax, at one rate of 5/10 of 1% of met income (maximum; \$125 if at least % of child 16 years of age and over dependent on taxpayer.  Single.  EXEMPTIONS AND DEDUCTIONS  Single.  Single		
13,370 " 60,000 " 28% " remainder  Habil imanuscue are set glob of the first shadow of		7,010 (4,000,000
Health insurance tax:  Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  1970  RATES  Same as 1968 except for the imposition of a health insurance tax, at the rate of 8/10 of 1% of the income (maximum: \$125 if at least % of net income insularly of the imposition of a health insurance tax, at the rate of 8/10 of 1% of the income (maximum: \$125 if at least % of net income is salary, or \$200 otherwise), effective November 1, 1970.  EXEMPTIONS AND DEDUCTIONS  Same as 1968 except for the imposition of a health insurance tax, at the rate of 8/10 of 1% of net income (maximum: \$125 if at least % of net income is salary, or \$200 otherwise), effective November 1, 1970.  EXEMPTIONS AND DEDUCTIONS  Same as a 1967.  TAX CREDIT  RATES  Ame as 1967.  TAX CREDIT  Low income: No tax is payable if income does not exceed \$2.500 if single or \$5.000 if married.  EXEMPTIONS AND DEDUCTIONS  Same as 1967.  Low income: No tax is payable if income does not exceed \$2.500 if single or \$5.000 if married.  Low income: No tax is payable if income does not exceed \$2.500 if single or \$5.000 if married.  Low income: No tax is payable if income does not exceed \$2.500 if single or \$5.000 if married.  Low income: No tax is payable if income does not exceed \$2.500 if single or \$5.000 if married.  Low income: No tax is payable if income does not exceed \$2.500 if single or \$5.000 if married.  Low income: No tax is payable if income does not exceed \$2.500 if single or \$5.000 if married.  Low income: No tax is payable if income does not exceed \$2.500 if single or \$5.000 if married.  Low income: No tax is payable if income does not exceed \$2.500 if single or \$5.000 if married.  Low income: No tax is payable if income does not exceed \$2.500 if single or \$5.000 if married.  Low income: No tax is payable if income does not exceed \$2.500 if single or \$5.000 if married.  Low income: No tax is payable if income does not exc	1969	21,000
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EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  TAX CREDIT  Same as 1967.  Child 16 years of age and over dependent on taxpayer 5.1 old age (taxpayer 65 years of age or over) 6.1 old age (taxpayer		salary, or \$200 otherwise).
EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT   1970  1970  RATES  Same as 1968 except for the imposition of a health insurance tax, at her rate of 8/10 of 1% of net income (maximum, \$125 if at least \$5 of net income is salary, or \$200 otherwise), effective November 1, 1970.  EXEMPTIONS AND DEDUCTIONS  ame as 1967.  TAX CREDIT  TAX CREDIT  Or Standard deduction of \$100 in lieu of claiming deductions for charitable donations and medical expenses.  Or Standard deduction of \$100 in lieu of claiming deductions for charitable donations and medical expenses.  TAX CREDIT  EXEMPTIONS AND DEDUCTIONS  ame as at July 1, 1967.  FAX CREDIT  TAX CREDIT  TAX CREDIT  Or Standard deduction of \$100 in lieu of claiming deductions for charitable donations and medical expenses.  Over 3% of income.  EXEMPTIONS AND DEDUCTIONS  ame as at July 1, 1967.  TAX CREDIT  TAX CREDIT  TAX CREDIT  EXEMPTIONS AND DEDUCTIONS  ame as 1972.  EXEMPTIONS AND DEDUCTIONS  TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  EXEMPTIONS  Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if members are as a single or \$5,000 i	Same as 1968.	The tax on investment income and the 6% surtax are cancelled.
Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  Same as 1967.  Same as 1967.  Same as 1968 except for the imposition of a health insurance tax, at the rate of 8/10 of 1% of net income imminum, \$125 if at least % of net income imminum,		The second of th
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Same as 1967.  Married	Same as at July 1, 1967.	·
Child 16 years of age and over dependent on taxpayer	TAV CDEDIT	
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RATES  RATES  Same as 1968 except for the imposition of a health insurance tax, at the rate of 8/10 of 1% of net income (maximum: \$125 if at least x of net income is salary, or \$200 otherwise), effective November 1, 1970.  EXEMPTIONS AND DEDUCTIONS  ame as 1967.  TAX CREDIT  RATES  TAX CREDIT  RATES  TAX CREDIT  RATES  TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  EXEMPTIONS AND DEDUCTIONS  ame as A July 1, 1967.  RATES  TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  Low income: No tax is payable if income does not exceed \$2,000 if single or \$4.00 if married.  No tax is payable if income does not exceed \$2,000 if single or \$4.00 if married.  Lemployment expenses:  Cretatin deductions are available for some expenses related to employ ment, such as the purchase of certain tools and special clothing ment, such as the purchase of certain tools and special clothing ment, such as the purchase of certain tools and special clothing ment, such as the purchase of certain tools and special clothing ment, such as the purchase of certain tools and special clothing ment, such as the purchase of certain tools and special clothing ment, such as the purchase of certain tools and special clothing ment, such as the purchase of certain tools and special clothing ment, such as the purchase of certain tools and special clothing ment, such as the purchase of certain tools and special clothing ment, such as the purchase of certain tools and special clothing ment, such as the purchase of certain tools and special clothing ment, such as the purchase of certain tools and special clothing ment, such as the purchase of certain tools and special clothing ment, such as the purchase of certain tools and special clothing ment, such as the purchase of certain tools and special clothing ment, such as the purchase of certain tools and special clothing ment, such as the purchase of certain tools and special clothing ment, such as the purchase o		Old age (taxpayer 65 years of age or over)
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RATES  Same as 1968 except for the imposition of a health insurance tax, at the rate of 8/10 of 1% of net income (maximum: \$125 if at least % of net income is salary, or \$200 otherwise), effective November 1, 1970.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  RATES  Same as November 1, 1970.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  Chardiable donations:  Up to 10% of income.  Medical expenses:  Over 3% of income.  Same as at July 1, 1967.  Credit for dividends from Canadian corporations:  50% of corresponding federal credit.  TAX CREDIT  Credit for dividends from Canadian corporations:  50% of corresponding federal credit.  TAX CREDIT  Credit for dividends from Canadian corporations:  50% of corresponding federal credit.  Low income:  No tax is payable if income does not exceed \$2.500 if single or \$5.000 if married.  All other expentions remain unchanged from 1972		No tax is payable if income does not exceed \$2,000 if single or \$4,000 if married
Cartain deductions are available for some expenses related to employ ment, such as the purchase of certain tools and special clothing moving expenses and child care expenses.  CEXEMPTIONS AND DEDUCTIONS are as at July 1, 1967.  TAX CREDIT  TAX CREDIT  RATES  TAX CREDIT  RATES  TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  Credit for dividends from Canadian corporat		
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the rate of 8/10 of 1% of net income (maximum: \$125 if at least % of net income is salary, or \$200 otherwise), effective November 1, 1970.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  TAX CREDIT  EXEMPTIONS AND DEDUCTIONS  TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  EXEMPTIONS  Low income:  No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1972	Same as 1968 except for the imposition of a health income at	
EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  TAX CREDIT  TAX CREDIT  TAX CREDIT  RATES  Same as November 1, 1970.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  EXEMPTIONS  Low income:  No tax is payable if income does not exceed \$2,500 if single or \$5.000 if married.  All other exemptions remain unchanged from 1972.		moving expenses and chird care expenses.
EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Or  Standard deduction of \$100 in lieu of claiming deductions for charitable donations and medical expenses.  1971  TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  EXEMPTIONS AND DEDUCTIONS Same as at July 1, 1967.  EXEMPTIONS AND DEDUCTIONS Same as 1967.  TAX CREDIT  Same as 1967.  Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1979.  All other exemptions remain unchanged from 1979.	net income is salary, or \$200 otherwise), effective November 1, 1970.	
Up to 10% of income. Medical expenses: Over 3% of income. Medical expenses: Over 3% of income.  Same as 1967.  1971  TAX CREDIT  TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  EXEMPTIONS AND DEDUCTIONS Same as at July 1, 1967.  EXEMPTIONS  TAX CREDIT  TAX CREDIT  Same as 1967.  EXEMPTIONS  Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1972.		No restriction.
Medical expenses: Over 3% of income.  TAX CREDIT  or  Standard deduction of \$100 in lieu of claiming deductions for charitable donations and medical expenses.  1971  TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  EXEMPTIONS AND DEDUCTIONS Same as at July 1, 1967.  FAX CREDIT  Same as 1967.  EXEMPTIONS  Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1972	EXEMPTIONS AND DEDUCTIONS	
TAX CREDIT  Same as 1967.  Standard deduction of \$100 in lieu of claiming deductions for charitable donations and medical expenses.  1971  TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  EXEMPTIONS AND DEDUCTIONS Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  EXEMPTIONS  Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if same as 41 other exemptions remain unchanged from 1972  All other exemptions remain unchanged from 1972	Same as at July 1, 1967.	Medical expenses:
Same as 1967.  Standard deduction of \$100 in lieu of claiming deductions for charitable donations and medical expenses.  TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  EXEMPTIONS AND DEDUCTIONS Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  EXEMPTIONS  Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1972.	TAY ODEDIT	Over 3% of income.
Standard deduction of \$100 in lieu of claiming deductions for charitable donations and medical expenses.  TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  EXEMPTIONS AND DEDUCTIONS Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  EXEMPTIONS  Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1972.		no
TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  EXEMPTIONS AND DEDUCTIONS Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  EXEMPTIONS  Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1972		Standard deduction of \$100 in lieu of claiming deductions for charitable
TAX CREDIT  Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  EXEMPTIONS AND DEDUCTIONS Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  EXEMPTIONS  Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1972.		donations and medical expenses.
Credit for dividends from Canadian corporations: 50% of corresponding federal credit.  1973  EXEMPTIONS AND DEDUCTIONS Same as at July 1, 1967.  RATES  TAX CREDIT  Same as 1967.  EXEMPTIONS  Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1972	1971	
RATES  Same as November 1, 1970.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  EXEMPTIONS  Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1972		TAX CREDIT
EXEMPTIONS AND DEDUCTIONS Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  EXEMPTIONS  Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1972		Credit for dividends from Canadian corporations:
EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1972.  EXEMPTIONS  Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1972.	RATES	30% of Corresponding rederat credit.
EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1972.  EXEMPTIONS  Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1972.	Same as November 1, 1970.	
TAX CREDIT  Same as 1972.  EXEMPTIONS  Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1972		1973
TAX CREDIT  Same as 1967.  TAX CREDIT  Same as 1972.  EXEMPTIONS  Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1972.		
Same as 1967.  EXEMPTIONS  Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1972		
EXEMPTIONS  Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1972	and as at July 1, 1967.	RATES
EXEMPTIONS  1972  Low income: No tax is payable if incomedoes not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1972	TAY ODEDIT	Same as 1972.
EXEMPTIONS  1972  Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1972		
Low income: No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1972		
No tax is payable if income does not exceed \$2,500 if single or \$5,000 if married.  All other exemptions remain unchanged from 1972		EXEMPTIONS
All other exemptions remain unchanged from 1972.	1972	No tax is payable if income does not exceed \$2,500 if single or \$5,000
		All other exemptions remain unchanged from 1972.
CHANGES IN THE CONCEPT OF INCOME	CHANGES IN THE CONCEPT OF INCOME	
ncome is broadened to include half of capital gains; half of capital losses are deductible from capital gains brought into income. Income is also broadened to include unemployment insurance benefits.  TAX CREDIT  Same as 1972.		

TABLE III. Historical Summary of the Personal Income Taxes levied by the Provinces Other than Quebec, 1963 to 1973

Note: These provinces do not collect their own tax. It is collected on their behalf by the federal government. For years prior to 1971, their imposts are expressed as a percentage of the federal "basic" personal income tax. For 1972 and 1973 they are expressed as a percentage of the revised "basic" federal personal income tax.

2000	ic icaciai porbonia					
No.	Province	1963	1964	1965	1966	1967
1 2 3 4 5 6 7 8	Newfoundland	23 23 17	18 18 18 18 18 24 24 18	21 21 21 21 21 26 27 21	24 24 24 24 24 29 29 29 24	28 28 28 28 28 33 33 28 28

TABLE IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments 1963 to 1973

	1903 for 1913							
No.	Government	1963	1964	1965	1966	1967		
1	Canada <sup>1</sup>	All income other than dividend income:  18% on first \$35,000 of taxable income  47% on taxable income in excess of \$35,000  Plus 3% old age security tax on all taxable income  Dividend income:  Exempt	Same as 1963	Same as 1963	Same as 1963	Same as 1963		

See footnote(s) at end of table.

<sup>&</sup>lt;sup>1</sup> Effective July 1, 1971. <sup>2</sup> Effective July 1, 1969. <sup>3</sup> Effective July 1, 1969.

# TABLE III. Historical Summary of the Personal Income Taxes levied by the Provinces Other than Quebec, 1963 to 1973

Note: These provinces do not collect their own tax. It is collected on their behalf by the federal government. For years prior to 1971, their im"basic" federal personal income tax.

These provinces of the federal government. For years prior to 1971, their im"basic" federal personal income tax.

1968	1969	1970	1971	1972	1973	No
Same as 1967	33 Same as 1967 Same as 1967 38 <sup>2</sup> Same as 1967 Same as 1967 Same as 1967 Same as 1967 33 <sup>3</sup> Same as 1967	Same as 1969 Same as 1967 Same as 1967 Same as April 1, 1969 Same as 1967 39 34 Same as July 1, 1969 Same as 1967	Same as 1969 331 Same as 1967 Same as April 1, 1969 27.5 Same as 1970 Same as 1970 Same as July 1, 1969 Same as 1967	36.0 36.0 38.5 41.5 29.585 42.5 37.0 36.0 30.5	Same as 1972 Same as 1972 Same as 1972 Same as 1972 30.5 Same as 1972 40.0 Same as 1972 Same as 1972	1 2 3 4 5 6 7 8

TABLE IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments, 1963 to 1973

1968	1969	1970	1971	1972	1973	No.
Same as 1963 except for imposition of 3% surtax on tax other than oldage secu- rity tax.	Same as 1968	Same as 1968	Same as 1968 until July 1. Effective July 1, repeal of 3%surtax and reduction of 7 percentage points of other rates.	Public corporations:  (a) Business income: 50% of taxable income: (b) Dividend income: exempt unless paid out of the designated surplus of a sub- sidiary corporation. (c) Other investment in- come: 50%.2	Public corporations:  (a) Business income:  (i) 40% of taxable income from manufacturing and processing activities.  (ii) 49% of taxable income from other business activities.  (b) Dividend income: exempt unless paid out of the designated surplus of a subsidiary corporation.  (c) Other investment income: 49%.	1
				Private corporations:  (a) Business income: 25% on the first \$50,000 of taxable: income² and 50% on taxable income in excess of \$50,000 of active Canadian- controlled corpora- tions; 50% of tax- able income of other private corpora- tions.² (b) Dividend income: usually exempt if received from sub- sidiary corporations; 33 1/3 if received from other corpora- tions but refunded if dividends are paid to shareholders. (c) Other investment in- come: 50%² subject to the provision that half of the tax paid can be refunded as dividends are paid to shareholders.  These rates are reduced by 7 per- centage points in 1972.²	Private corporations:  (a) Business income:  (i) 20% on the first \$50,000 of taxable income and 40% on taxable income in excess of \$50,000 generated by the manufacturing and processing activities of Canadian-controlled corporations; 40% on taxable income generated by the manufacturing and processing activities of other private corporations.  (ii) 25% on the first \$50,000 of taxable income and 49% on taxable income in excess of \$50,000 generated by the other business activities of Canadian-controlled corporations; 49% on taxable income generated by the other business activities of Canadian-controlled corporations; 49% on taxable income generated by the other business activities of other private corporations.  (b) Dividend income: usually exempt if received from subsidiary corporations but the tax is refunded if dividends are paid to shareholders.  (c) Other investment income: 49% subject to the provision that half of the tax paid can be refunded if dividends are paid to shareholders.	

TABLE IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments, 1963 to 1973 - Concluded

	Government	1963	1964	1965	1966	1967
No.						
2	Newfoundland	9% on same base as federal income tax	Same as 1963	Same as 1963	Same as 1963	11%
3	Prince Edward Island	9% on same base as federal income tax	Same as 1963	Same as 1963	Same as 1963	10%
4	Nova Scotia	9% on same base as federal income tax	Same as 1963	Same as 1963	Same as 1963	10%
5	New Brunswick	9% on same base as federal income tax	Same as 1963	Same as 1963	Same as 1963	10%
6	Quebec	12% on base very similar to federal income tax	Same as 1963	Same as 1963	Same as 1963	Same as 1963
7	Ontario	on base very similar to federal income tax	Same as 1963	Same as 1963	Same as 1963	Same as 1960
8	Manitoba	10% on same base as federal income tax	Same as 1963	Same as 1963	Same as 1963	11%
9	Saskatchewan	10% on same base as federal income tax	Same as 1963	Same as 1963	Same as 1963	11%
10	Alberta	9% on same base as federal income tax	Same as 1963	Same as 1963	Same as 1963	10%
11	British Columbia	9% on same base as federal income tax	Same as 1963	Same as 1963	Same as 1963	10%

<sup>&</sup>lt;sup>1</sup> Under the Federal-Provincial Fiscal Arrangements, the federal corporations income tax was, until 1967, abated by an amount equal to 9% of corporation tax income in all provinces other than Quebec and by an amount equal to 10% of corporation taxable income in Quebec. In 1967, the abatement became a uniform 10% of corporation taxable income in all provinces.

<sup>2</sup> Effective April 1, 1968.

TABLE V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1963 to 1973

	TABLE V. Historical Summary of the	General Sales Ta	Aes levied by the r	Cuciai and Flovin		
No.		1963	1964	1965	1966	1967
NO.						
	RATES					
	1. Federal sales tax (imposed on manufacturer's selling price of domestic products and duty paid value of imported goods):					
1	(a) General rate	8%				9% Effective
2	(b) Old age security tax	3%	Same as 1963	Same as 1963	Same as 1963	3% January 1
3	(c) Combined rate (a+b)	11%	J			12% J
	(d) Special rates:					
4	(i) Most building materials	Exempt prior to June 14, 4% June 14	4% to March 31, 8% effective April 1	2	2	11% effective January 1
5	(ii) Production machinery	Exempt prior to June 14, 4% June 14	4% to March 31, 8% effective April 1	2	2	11% to March 31, from April 1 to Jun exempt effective Ju
6	(iii) Dies, jigs, fistures and moulds and patterns therefor and tool- ing for production machinery	Exempt prior to June 14, 4% June 14	4% to March 31, 8% effective April 1	2	Exempt effective March 30	1

See footnote(s) at end of table.

TABLE IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments, 1963 to 1973 — Concluded

,						
1968	1969	1970	1971	1972	1973	No.
						INO.
12%²	13%	Same as 1969	Same as 1969	Same as 1969	Same as 1969	2
Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	3
Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	4
Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	5
Same as 1963	Same as 1963	Same as 1963	Same as 1963 <sup>3</sup>	Same as 1963	Same as 1963	6
12%	Same as 1968	Same as 1968	Same as 1964	Same as 1968	Same as 1968	7
Same as 1967	Same as 1967	13%	Same as 1970	Same as 1970	Same as 1970	8
Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	12%	9
Same as 1967	11%5	Same as 1969	Same as 1969	Same as 1969	Same as 1969	10
Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	12%	11

Corporations investing during the period April 1, 1971, to March 31, 1974, more than \$150,000 of their profits in designated areas in new technological processes or broduction of goods not yet produced in Quebec can benefit from tax credits ranging from 50% to 100% of the amounts invested.

Credit granted against corporations income tax, equal to 5% of eligible investment in machinery and equipment purchased and used in Ontario during the period April 1, and March 31, 1973. Deduction from income of the interest paid on money borrowed to purchase shares in other corporations during corporation fiscal years ended Effective July 1, 1969.

TABLE V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1963 to 1973

1968	1969	1970	1971	1972	1973	No.
ame as 1967	Same as 1967	Same as 1967	Same as 1967	12%   Effective   January 1	Same as 1972	1 2 3
ame as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	4
2	1	1	1	1	1	5
1	ī	1	1	i	1	6

TABLE V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1963 to 1973 - Concluded

1 /4	BLE V. Historical Summary of the Gener	W. D.				
$\top$		1963	1964	1965	1966	1967
0.						
2	. Provincial sales taxes (imposed on retail					
7	price): (1) Newfoundland	5%	Same as 1963	Same as 1963	Same as 1963	6% (effective April 1)
8		4% prior to April 23;	Same as April 23, 1963	Same as April 23, 1963	Same as April 23, 1963	Same as April 23, 1963
9	(3) Nova Scotia	5% April 23 5%	Same as 1963	Same as 1963	Same as 1963	Same as 1963
10	(4) New Brunswick	3%	Same as 1963	Same as 1963	Same as 1963	6% (effective January 1)
11	(5) Quebec	4%	6% (effective April 1)	Same as April 1, 1964	Same as April 1, 1964	8% (effective March 17)
	(6) Ontario:	3%	Same as 1963	Same as 1963	5% (effective	Same as
12	(a) General(b) Meals and alcoholic beverages	3%	Same as 1963	Same as 1963	April 1) 5% (effective April 1)	April 1, 1966 Same as April 1, 1966
13	(7) Manitoba:				April 1)	
14	(a) General	-	-	_	_	5% (effective June 1)
15	(b) Spirits, wines and imported beer	_	_	_	-	5% (effective June 1) Same as
16	(8) Saskatchewan	5%	Same as 1963	4% (effective February 20) <sup>3</sup>	Same as February 20, 1965 Same as 1963	February 20, 19 Same as 1963
17	(9) British Columbia	5%	Same as 1963	Same as 1963	paine as 1300	Dame as 1000
	CHANGES IN EXEMPTIONS					
18	(Unless otherwise specified, the following are new exemptions).	Quebec: Farm produce; commercial vessels.		Prince Edward Island: Soft drinks. Quebec: Exemption for meals under \$1.00 raised to meals under \$1.25. Saskatchewan: Insecticides.	British Columbia:  Candy; soft drinks; all meals; news- papers sold over the counter and by subscription; classroom sup- plies.	Federal sales tax:  Drugs and medi some ortho appliances; p tion machiner  Manitoba:  Introduction of sales tax (for exemptions  Table 3 on pa
19	TAX ON SERVICES	Nova Scotia: Long distance telephone calls.		Quebec: Hotel and motel accommodations long distance telephone calls; telecommunications.	and telecommuni	

<sup>&</sup>lt;sup>1</sup> Exempt from federal sales tax. <sup>2</sup> Subject to federal sales tax at full rates.

ABLE V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1963 to 1973 - Concluded

1968	1969	1970	1971	1972	1973	
					i	-
7% (effective April 1)	Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	Same as	
Same as April 23, 1963 Same as 1963	7% (effective April 15) 7% (effective	Same as April 15, 1969 Same as	8% (effective March 19)	Same as March 19, 1971	April 1, 1968  Same as  March 19, 1971	
Same as	April 4) 8% (effective	April 4, 1969 Same as	Same as April 4, 1969 Same as	Same as April 4, 1969	Same as April 4, 1969	
January 1, 1967 Same as March 17, 1967	April 1) Same as March 17, 1967	April 1, 1969 Same as	April 1, 1969 Same as	Same as April 1, 1969 Same as	Same as April 1, 1969 Same as	1
Same as	Same as	March 17, 1967	March 17, 1967	March 17, 1967	March 17, 1967	
April 1, 1966 Same as	April 1, 1966 10% (effective	Same as April 1, 1966 Same as	Same as April 1, 1966	Same as April 1, 1966	7% (effective May 1)	
April 1, 1966	April 1)	April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	
Same as June 1, 1967	Same as June 1, 1967	Same as June 1, 1967	Same as June 1, 1967	Same as June 1, 1967	Same as June 1, 1967	1
Same as June 1, 1967 5% (effective	Same as June 1, 1967 Same as	Same as June 1, 1967 Same as	Same as June 1, 1967	10% (effective June 1)	Same as June 1, 1972	
March 2) Same as 1963	March 2, 1968 Same as 1963	March 2, 1968 Same as 1963	Same as March 2, 1968 Same as 1963	Same as March 2, 1968	Same as March 2, 1968	1
			Same as 1909	Same as 1963	Same as 1963	
chewan: ner exemption for all	Ontario: Meals under \$2.51.	Saskatchewan:	Prince Edward Island:	Newfoundland:	Federal Sales Tax:	
eals restricted to eals under \$2.00.	Repeal of exemption for industrial machinery.	Electricity used for heating. Repeal of exemption for meals under \$2.00.	Railway rolling stock; commercial vessels. New Brunswick: Building materials.	Children's clothing.  Quebec: Industrial production equipment.  Ontario:	Confectioneries, choco- late bars, soft drinks, fruit drinks and similar near food products; children's clothing, shoes and other foot- wear.	
				Repeal of exemption for draught beer, which becomes taxable as in (b).  Manitoba: Safety clothing. Increase of rate from 5% to 10% on spirits, wines and imported	Nova Scotia: Larger sizes of child- ren's clothing and footwear; all mer- chandise, except auto- motive equipment and parts, sold to Indians on reservations for their own use.	1
				beer. Repeal of exemptions for production machinery and vessels over 200 tons gross.  Saskatchewan:	Quebec:  Exemption for meals under \$1.25 raised to meals under \$1.50. Small sale exemption raised from 10¢ to 15¢.	
				Meals under \$2.51.	Ontario:  Exemption for meals increased from \$2.50 to \$4.00. Seeds, bulbs, natural flowers, etc; household pets.	
runswick:  l and motel accom- dations; telecom- mications.	Newfoundland:  Hotel and motel accommodations; telephone		British Columbia:  Hotel and motel accommodations.	Nova Scotia:  Hotel and motel accommodations.		1
thewan: and motel accom-	services; telecommu- nications; repairs; laundry and dry- cleaning.  New Brunswick:					
	Laundry and dry-clean- ing.					
	Ontario:  Hotel and motel accommodations.					

TABLE VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1963 to 1973

			1903 to 1313			
No.	Province	1963	1964	1965	1966	1967
1	Newfoundland:  Motive fuel	19¢ per gallon	Same as 1963	Same as 1963	Same as 1963	20¢ per gallon (effective April 1)
2	Cigarettes	Nil Nil	% of 1¢ each 1¢ to 5¢ each	Same as July 1, 1964	Same as July 1, 1964	Same as July 1, 1964
4	Tobacco	Nil	1¢ per ½ oz. unit (effective July 1)			
5	Prince Edward Island: Gasoline	16¢ per gallon to April 22; 18¢ per gallon effective April 23	Same as April 23, 1963	Same as April 23, 1963	Same as April 23, 1963	Same as April 23, 1963
6	Diesel fuel	16¢ per gallon to April 22; 18¢ per gallon effective April 23	Same as April 23, 1963	Same as April 23, 1963	Same as April 23, 1963	Same as April 23, 1963
7 8 9	Cigarettes  Cigars  Other tobacco.	1/5 of 1¢ each 1¢ to 3¢ each 10%	Same as 1963	Same as 1963	Same as 1963	Same as 1963
10	Nova Scotia: Gasoline	19¢ per gallon	Same as 1963	Same as 1963	Same as 1963	Same as 1963
11 12	Diesel fuel	27¢ per gallon Nil	Same as 1963 Nil	Same as 1963 Nil	Same as 1963 Nil	Same as 1963 Nil
13 14	Cigarettes Other tobacco products	1/10 of 1¢ each 5%	Same as 1963	Same as 1963	Same as 1963	Same as 1963
15	New Brunswick: Gasoline	18¢ per gallon	Same as 1963	Same as 1963	Same as 1963	Same as 1963
16 17	Diesel fuel	23¢ per gallon Nil	Same as 1963 Nil	Same as 1963 Nil	Same as 1963 Nil	Same as 1963 'Nil
18 19 20	Cigarettes Cigars Other tobacco products	1/5 of 1¢ each 1¢ to 3¢ each 10%	Same as 1963	Same as 1963	Same as 1963	Same as 1963
21	Quebec:	13¢ per gallon		16¢ per gallon		
22		to April 5; 15¢ per gallon effective April 6 18½¢ per gallon to April 5; 21¢ per gallon	Same as April 6, 1963	22¢ per gallon (effective April 8)	Same as April 8, 1965	Same as April 8, 1965
23	Aviation fuel	effective April 6 Nil	Nil	Nil	Nil	Nil
24 25 26	Cigars	1/5 of 1¢ each 10% (when over 5¢) 10%	Same as 1963	$\begin{cases} 6/25 \text{ of } 1¢ \text{ each} \\ 12\% \text{ (when over } 5¢) \\ 12\% \text{ (effective April 8)} \end{cases}$	Same as April 8, 1965	Same as April 8, 1965
25 28		13¢ per gallon 18½¢ per gallon	15¢ per gallon 21½¢ per gallon (effective February13	Same as February 13, 1964	16¢ per gallon 22¢ per gallon (effective April 1)	Same as April 1, 1966
2	9 Aviation fuel	Nil	Nil	Nil	Nil	Nil
3	0 Cigarettes	Nil	Nil	Nil	1/20 of 1¢ each to April 1; 1/10 of 1¢ from April 1	Same as
3	1 Cigars	Nil Nil	Nil Nil	Nil Nil	1/5 of 1¢ per 5¢ 1¢ per oz. to April 1; 1¢-2¢ per oz. from April 1	April 1, 1966

Note: The taxes on motive fuels do not apply in all instances. Generally speaking all provinces provide either complete or partial exemptions for fuels used in farming operations. Similarly, several provinces provide either complete or partial exemptions for motive fuels used in the commercial fish See Table 5 "Miscellaneous Provincial Taxes" for a description of these exemptions.

TABLE VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments,

		196	3 to 1973		,	
1968	1969	1970	1971	1972	1973	T
25¢ per gallon (effective April 1)	Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	No.
½ of 1¢ each 2¢ to 10¢ each 2¢ per ½ oz. unit effective April 1)	Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	1¢ each 4¢ to 20¢ each 4¢ per ½ oz. unit (effective June 1)	Same as June 1, 1972	2 3 4
21¢ per gallon ffective March 20)	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	5
21¢ per gallon fective March 20)	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	25¢ per gallon (effective April 1972)	Same as April 19, 1972	6
2/5 of 1¢ each 20% 20% ffective March 20)	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	7 8 9
Same as 1963 Same as 1963 Nil	21¢ per gallon (effective April 4) Same as 1963 Nil	Same as April 4, 1969 Same as 1963 Nil	Same as April 4, 1969 Same as 1963 3¢ per gallon	Same as April 4, 1969 Same as 1963	Same as April 4, 1968 Same as 1963	10
Same as 1963	{ 4/10 of 1¢ each (effective April 4)	Same as April 4, 1969	(effective August 1)  Same as April 4, 1969	Same as August 1, 1971 Same as April 4, 1969	Same as August 1, 1971 Same as April 4, 1969	12 13 14
19¢ per gallon ffective April 1)  Same as 1963   Nil	20¢ per gallon (effective April 1) Same as 1963 Nil	Same as April 1, 1969 Same as 1963 Nil	Same as April 1, 1969 Same as 1963 3¢ per gallon (effective May 15)	Same as April 1, 1969 Same as 1963 Same as May 15, 1971	Same as April 1, 1969  Same as 1963  Same as May 15, 1971	15 16 17
Same as 1963	1¢ for each 5¢ 4¢ per oz. (effective April 1)	Same as April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	18 19 20
19¢ per gallon						21
25¢ per gallon	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	22
3¢ per gallon (fective March 28) 2/5 of 1¢ each					1	23
(when over 10¢) 20% (ective March 28)	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	25 26
18¢ per gallon ,24¢ per gallon 3¢ per gallon	Same as March 13, 1968	Same as March 13, 1968	Same as March 13, 1968	19¢ per gallon 25¢ per gallon (effective March 29)	Same as March 29, 1972	27 28
fective March 13) /10 of 1¢ each	2/5 of 1¢ each			3¢ per gallon  0.46 of 1¢ each		29 30
2 of 1¢ per 5¢ 2½¢ per oz. 'ective March 13)	½ of 1¢ per 5¢ 2½¢ per oz. (effective March 5)	Same as March 5, 1969	Same as March 5, 1969	1¢ per 5¢ 2½¢ per ½ oz. (effective March 29)		31 32

TABLE VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1963 to 1973 — Concluded

Nil   2¢ per gallon (effective October 19)	Same as October 19, 1964
Manitoba:	
1	
1	
2	
Aviation fuel	
Cigarettes   1¢ to 5¢ each   1¢ to 10¢ each   2¢ per ½ oz.   (effective April 27)   Cigarettes   Nil   Nil	
1¢ to 1¢ each   1¢ to 1¢ each   2¢ per ½ oz. (effective April 27)   2c per ½ oz. (effective October 19)   3c   3c per ½ oz. (effective October 19)   3c   3c per ½ oz. (effective October 19)   3c   3c per ½ oz. (effective October 19)   3c per gallon   3	Same as
Manufactured tobacco   1¢ per ½ oz. (effective April 27)	October 19, 1964
The part of the content of the part of t	
The part of the content of the part of t	
Diesel fuel	Same as
10   Cigarettes	March 15, 1966
10   Cigarettes	Nil
11   Cigars	1/5 of 1¢ each
Manufactured tobacco	1¢ to 5¢ each
Alberta:   12¢ per gallon   12¢ per gallon   14¢ per gallon   Nil   Ni	1¢ per ½ oz.
13   Gasoline   12¢ per gallon   14¢ per gallon   14¢ per gallon   14¢ per gallon   110 p	
14         Diesel fuel         14¢ per gallon         Nil	Same as 1963
15         Aviation fuel         Nil         Nil <t< td=""><td></td></t<>	
16 Cigarettes	Nil
17 Cigars Nil Nil Nil Nil Nil Nil Nil	Nil
Nil Nil Nil Nil	Nil
	Nil
British Columbia:	
19 Gasoline	
20 Motive fuel	Same as 1963
21 Aviation fuel	
22 Cigarettes Nil Nil Nil Nil	Nil
23 Cigars Nil Nil Nil Nil	Nil
24 Other tobacco products	Nil
Yukon:	
25 Motive fuel	Same as 1964
26 Aviation fuel	Nil
Northwest Territories:	404
27 Gasoline	10¢ per gallon
28 Diesel fuel	6¢ per gallon Effective April 1
29 Aviation fuel	Same as 1963

TABLE VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1963 to 1973 — Concluded

		1505 to 1	- Concluded			
1968	1969	1970	1971	1972	1973	No
Same as	Same as	Same as	Samo as			No.
October 19, 1964	October 19, 1964	October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	3
Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	3/5 of 1¢ each 1¢ to 15¢ each 3¢ per ½ oz. (effective May 1)	Same as May 1, 1972	5
17¢ per gallon	)	19¢ per gallon				
20¢ per gallon (effective March 1)	Same as March 1, 1968	21¢ per gallon	Same as	Same as	Same as	7 8
2¢ per gallon (effective April 2)	Same as April 2, 1968	4¢ per gallon (effective March 3)	March 3, 1970	March 3, 1970	March 3, 1970	9
8/25 of 1¢ and 9/25 of 1¢ each 1¢ to 10¢ each	Same as	Same as	Company		9/25 of 1¢ each, Feb. 9/73	10
2¢ per ½ oz. (effective March 1)	March 1, 1968	March 1, 1968	Same as March 1, 1968	Same as March 1, 1968	Same as March 1, 1968 Same as	11
(difference material)					March 1, 1968	12
15¢ per gallon	)					
17¢ per gallon	Same as	Same as	Same as	Same as	g.,	13
3¢ per gallon (effective June 1)	June 1, 1968	June 1, 1968	June 1, 1968	June 1, 1968	Same as June 1, 1968	14
Nil	8/25 of 1¢ each	3				16
Nil Nil	1¢ to 9¢ each 64¢ per 1b.	Same as June 30, 1969	Same as June 30, 1969	Same as June 30, 1969	Same as June 30, 1969	17
	(effective June 30)	}				18
Same as 1963	Same as 1963	G 1000	15¢ per gallon	1		19
	Same as 1903	Same as 1963	17¢ per gallon 3¢ per gallon	Same as February 5, 1971	Same as February 5, 1971	20
Nil	Nil	Nil	(effective February 5) 8/25 of 1¢ each			22
Nil	Nil	Nil	1¢ to 9¢ each	Same as February 5, 1971	Same as February 5, 1971	23
Nil	Nil	Nil	2¢ per ½ oz. (effective February 5)		1 0014419 0, 1011	24
11¢ per gallon	Same as January 23, 1968	Same as January 23, 1968	14¢ per gallon	Same as 1971	Same as 1971	25
Nil	Nil	Nil	2¢ per gallon (effective April 1)	Same as April 1, 1971	Same as April 1, 1971	26
11¢ per gallon (effective April 1)	12¢ per gallon	Same as 1969	14¢ per gallon (effective April 1)			27
8¢ per gallon (effective April 1)	10¢ per gallon (effective April 1)	12¢ per gallon (effective April 1)	15¢ per gallon (effective April 1)	Same as April 1, 1971	Same as April 1, 1971	28
Same as 1963	Same as 1963	Same as 1963	2½¢ per gallon (effective April 1)			29

TABLE VII. Historical Summary of the Federal Taxes on Alcoholic Beverages and Tobacco Products, 1963 to 1973

TABLE VII. MISSING	1963	1964 to 1966 inclusive	1967	1968 to 1973 inclusive
1. Beer	Excise duty of 38¢ per gallon	Same as 1963	Increased to 42¢ effective December 1	Same as December 1, 19
2. Spirituous beverages other than Canadian brandy	Excise duty of \$13.00 per proof gallon	Same as 1963	Increased to \$14.25 effective December 1	Same as December 1, 19
3. Canadian brandy	Excise duty of \$11.00 per proof gallon	Same as 1963	Increased to \$12.25 effective December 1	Same as December 1, 19
4. Spirits sold to druggists and used in the preparation of prescriptions	Excise duty of \$1.50 per proof	Same as 1963	Same as 1963	Same as 1963.
5. Imported spirits taken into bonded manufactory	Excise duty of 30¢ per proof gallon (in addition to other duties)	Same as 1963	Same as 1963	Same as 1963
6. Wines:  (a) Containing 7% or less of absolute alcohol by volume	Excise tax of 25¢ per gallon	Same as 1963	Increased to 27½¢ effective December 1	Same as ! December 1, 19
(b) Non-sparkling and containing more than 7% of absolute alcohol by volume but not over 40% of proof spirit	Excise tax of 50¢ per gallon	Same as 1963	Increased to 55¢ effective December 1	Same as December 1, 19:
(c) Champagne and other sparkling wines	Excise tax of \$2.50 per gallon	Same as 1963	Increased to \$2.55 effective December 1	Same as December 1, 19
7. Cigarettes	Excise tax of 2½¢ per 5 cigarettes plus excise duty of \$4 per 1,000 cigarettes weighing less than 3 lb. per 1,000 or \$5 per 1,000 cigarettes weighing more than 3 lb. per 1,000.	Same as 1963	Increase of excise tax to 3¢ per 5 cigarettes effective December 1	Same as December 1, 19
8. Cigars	Excise tax of 15% plus excise duty of \$2 per 1,000 cigars	Same as 1963	Increase of excise tax to 17½% effective December 1	Same as December 1, 19
9. Manufactured tobacco	Excise tax of 80¢ per lb. plus excise duty of 35¢ per lb.	Same as 1963	Increase of excise tax to 90¢ per 1b. effective December 1	Same as December 1, 19
10. Canadian raw leaf tobacco	Excise duty of 10¢ per lb.	Same as 1963	Same as 1963	Same as 196

Notes: 1. All goods subject to federal excise tax and/or duty are also subject to the federal manufacturers' sales tax; however, while the manufact sales tax is applicable to excise duty, it is not levied on excise tax.

2. Excise duties and certain excise taxes do not apply to imported commodities; the customs duty rates applicable to imported products ar however, to take a count of these excises.







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#### Catalogue

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- 68-201 Principal Taxes and Rates Federal, Provincial and Local Governments, A., E. and F.
- 68-202 Consolidated Government Finance Federal, Provincial and Local Governments, A., Bil.
- 68-502 Comparative Statistics of Public Finance, 1956 to 1960, O., E.
- 68-506 The Canadian System of Government Financial Management Statistics, O., E. and F.

#### Federal Government Statistics

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#### **Provincial Government Statistics**

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- 68-207 Provincial Government Finance—Revenue and Expenditure, A., Bil. 68-209 Provincial Government Finance—Assets, Liabilities and Sources and Uses of Funds, A., Bil.
- 61-204 Provincial Government Enterprise Finance, A., Bil.
- 63-202 The Control and Sale of Alcoholic Beverages in Canada, A., Bil.
- 72-007 Provincial Government Employment, Q., Bil.
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#### Local Government Statistics

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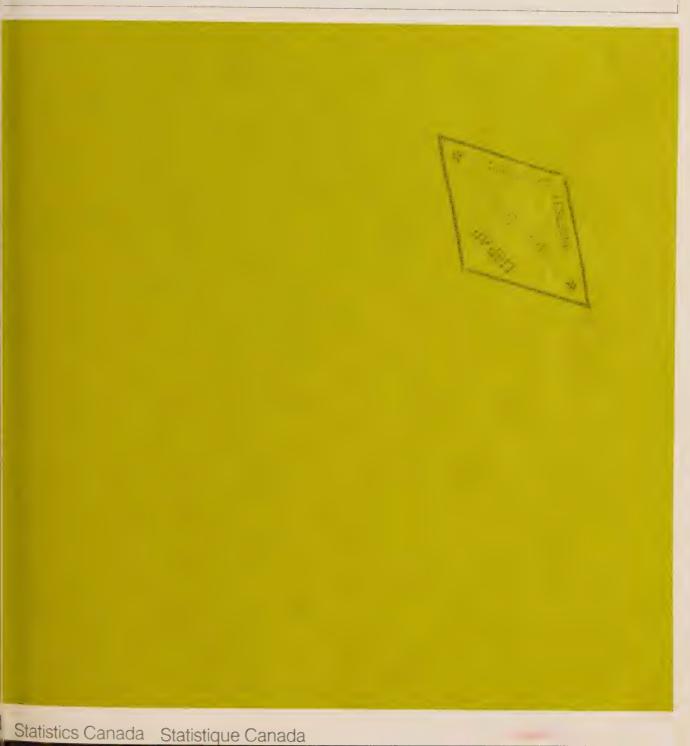
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# Principal taxes and rates

EDERAL, PROVINCIAL ND LOCAL GOVERNMENTS

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STATISTICS CANADA
Public Finance Division

## PRINCIPAL TAXES AND RATES

# FEDERAL, PROVINCIAL AND LOCAL GOVERNMENTS

1974

Published by Authority of The Minister of Industry, Trade and Commerce

January 1975 4-2101-504

Price: \$1.40



# TABLE OF CONTENTS

Introduction and Canaral Commenters	Page
Introduction and General Commentary	5
PART I. Income, Capital, Gift and Inheritance Taxes	
Table	
1. Income Taxes levied by the Federal Government	10 12
PART II. General Sales Taxes	
/ 3. General Sales Taxes levied by the Federal and Provincial Governments	20
PART III. Other Important Taxes levied by the Federal and Provincial Governments	
4. Excise Duties and Excise Taxes levied by the Federal Government	29
5. Miscellaneous Provincial Taxes:	
Amusement Taxes  Motive and Other Fuel Taxes  Motor Vehicle Registrations and Driving Permits  Insurance Premium Taxes  Mining Taxes  Race Track Taxes  Tobacco Taxes  Hospitalization and Medical Care Premiums and Payroll Taxes  Other Taxes (alcoholic beverages taxes, land transfer taxes, meals and lodging taxes, telecommunications taxes, logging taxes, etc.)	30 30 32 34 36 38 40 40
PART IV. Real Property Taxes	
Provincial and Local Governments	47
PART V. Historical Summaries of Selected Taxes	
Table	
I. Historical Summary of the Personal Income Taxes levied by the Federal Government, 1964 to 1974	50
II. Historical Summary of the Personal Income Taxes levied by the Province of Quebec, 1964 to 1974	52
III. Historical Summary of the Personal Income Taxes levied by the Provinces Other than Quebec, 1964 to 1974	54
/ IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments, 1964 to 1974	54
V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1964 to 1974	56
/VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1964 to 1974	60
VII. Historical Summary of the Federal Taxes on Alcoholic Beverages and Tobacco Prod-	64
Appendix	65



## INTRODUCTION

The purpose of this publication is to present a summary of the structures and rates of the more important taxes levied in Canada by the three levels of government: federal, provincial and local. The various taxes are arranged in related groups to facilitate comparisons of similar or nearly similar impositions.

As for previous years, the publication comprises five parts which are preceded by a general commentary. These parts are as follows:

Part

I: Income, Capital, Gift and Inheritance Taxes

II: General Sales Taxes

III: Other Important Taxes Levied by the Federal and Provincial Governments

IV: Real Property Taxes

V: Historical Summary of Selected Taxes

In recognition of the growing importance of the petroleum and natural gas industries, comparative detail on the levies applicable to these industries has been incorporated in Table 5. This publication takes into account the principal levies in force as at and changes proposed prior to July 1, 1974 whether or not implemented at that date.

## **GENERAL COMMENTARY**

Canada is a federal state with a central government, ten provincial and two territorial governments. The two levels of government were assigned responsibilities and taxing powers by the British North America Act which forms the written constitution of the country. In addition, this Act empowers the provincial governments to establish, within their respective territory, municipal institutions and to make laws regarding their fiscal and other associated powers. For a more detailed description of the overall Canadian fiscal structure, the reader may refer to previous years' issues of this publication.

Detailed comments on the 1972 tax reform were included in the 1972 and 1973 issues of this publication. It should be noted that the 1972 legislation provided for the remittance to provinces of 20% of the federal tax on the 1971 corporation undistributed income on hand. Moreover the 1972 Federal-Provincial Fiscal Arrangements Act guarantees the provinces revenue yields from individual and corporation income taxes of not less than they would have been in the absence of tax reform, i.e., the federal government undertakes to make yield deficiency payments as and if required.

Both the federal and the provincial governments levy personal and corporation income taxes. In 1962, Tax Collection Agreements were initiated whereby the federal government collects for all provinces (Quebec excepted) provincial individual income taxes, and provincial corporation income taxes (Ontario and Quebec excepted.) These agreements are adjusted periodically to take account of modifications introduced by the provinces regarding their rates of taxation as well as the implementation of certain relief measures. Since 1972, provincial individual or personal income taxes have been expressed as percentages of "basic federal tax". Provincial corporation income taxes have for many years

been expressed as percentages of corporation taxable income.

Prior to 1972, the provincial personal income tax was determined with reference to an amount called "basic tax", which itself was determined on rates inclusive of tax percentage points abated in favour of the provinces. The amount of such abatement was deducted in determining the federal tax payable and this amount plus any additional provincial tax constituted the provincial tax payable. In the 1972 tax reform, the federal rates were adjusted downwards for the full amount of the provincial abatements, thus abandoning the abatement mechanism. However, the supplementary abatement to Quebec for assuming full responsibility for programs which, in the other provinces, are financed partially or entirely by the federal government was adjusted to 24 percentage points in 1972 so to agree with the new determination of the base.

The federal government withdrew from the death and gift tax fields as of December 31, 1971. Since the federal estate tax had been shared with the provinces, whether or not they themselves levied succession duties, the federal withdrawal from this field of taxation meant a potential loss of revenue to provinces without succession duties. For such provinces the federal government agreed to collect (for three years) any succession duties and gift taxes they might wish to levy.

Quebec, Ontario and British Columbia which had been imposing and collecting succession duties have maintained their own system and, in 1972, began to levy a gift tax. Ontario and British Columbia chose to have their gift tax collected by the federal government. The remaining provinces, (with the exception of Alberta which has no succession duties or gift taxes) enacted succession duty and gift tax legislation with effect as at

January 1, 1972. Subsequently, Prince Edward Island rescinded, retroactively to January 1, 1972, its related Statutes; New Brunswick made its legislations ineffective on deaths and gifts occurring after December 31, 1973, and Nova Scotia and Newfoundland did likewise with the effective dates of April 1, 1974 and April 10, 1974 respectively. Thus currently the federal government acts as a collecting agent only for Saskatchewan, Manitoba (succession duties and gift taxes), and British Columbia and Ontario (gift taxes only).

In 1973, the federal government implemented, with effect as of January 1, 1974, the indexing of the personal income tax. In accordance with this scheme, personal exemptions and income tax rate brackets are to be adjusted for changes in the consumer price index with reference to 1971-72 as the base period. The factor applied to 1974 taxation year is 6.6%. The province of Quebec did not follow the federal policy in this regard, but introduced other measures which are described in Part 1.

## Summary of Federal 1974 Budget Proposals

The budget brought down on May 6, 1974 proposed a number of changes in federal income and other taxes. Since the 29th Parliament was dissolved on the 8th of May, all taxes reverted to rates in effect prior to May 6. The budget proposals are summarized below.

In the area of personal income tax, the budget raised to \$150 from \$100 the minimum relief provided by the 5% tax cut of 1973. It broadened both the list of expenditures qualifying as medical expenses for tax purposes and the eligibility for the \$1,000 disabled and blind persons deduction. Contributions up to \$1,000 a year, to a maximum lifetime amount of \$10,000, to a registered Home Ownership Savings Plan, would have been deductible from net income if applied to the purchase and initial furnishing of a home. The budget also proposed the deduction from taxable income of the first \$1,000 in interest revenue from securities such as bank and trust company deposits, mortgages and Canada Savings Bonds and other bonds. All these changes were to take effect as at January 1, 1974.

In the area of corporation income tax a number of changes were proposed, namely a temporary surtax of 10% on corporate income for the period May 1, 1974 to April 30, 1975. (Manufacturing, processing and natural resource profits, Canadian-controlled private companies eligible for the small business deduction, mortgage investment, mutual fund and non-resident-owned investment corporations were exempted.) The annual income eligible for the corporate small business tax was to be raised from \$50,000 to \$100,000 and the overall limit, from \$400,000 to \$500,000. There were also proposals to raise the basic rate of corporation income tax to 50%

from 48% with respect to mining, petroleum and gas corporations; to eliminate the practice of deducting royalties, mining taxes and other similar payments to provincial governments in computing federal taxable income; and to introduce an extra resource abatement to the provinces of 15% for mineral profits and 10% for petroleum profits (over and above the basic abatement of 10% for taxable income earned by corporations in the provinces).

A number of new exemptions from the federal sales tax were also announced, for instance; clothing footwear, bicycies; certain construction equipment articles and materials for water systems, buses and other public transportation equipment purchased by local governments. It was further proposed to place a special excise tax on high-energy consuming vehicles, and to raise levies on cigarettes, cigars, tobacco and spirits (other than beer) and wine (other than cider). Finally the tax on free reserves which financial institutions claim against potential losses was to be reduced to 1% from 1 1/2% on eligible assets over \$2 billion. All the proposed changes were to take effect as at May 6, 1974 except those related to the personal income tax.

After the July 8 election, the Minister of Finance announced that the removal of the 12% sales tax or clothing and footwear proposed in the budget of May 6 would become effective as of July 16. The action was taken by order-in-council pursuant to Section 17 of the Financial Administration Act. The Minister also stated that Parliament would be asked to confirm the action when the House of Commons next meets. The other proposals put forward in that budget would require parliamentary approval.

#### NOTE

November 18 budget proposals are summarized in the Appendix on page 65.

In the tables of this publication, the statutory authority under which taxes are levied at the federal and provincial levels of government is provided. The proper name of the statute or revised statute is followed by the year of the statute or revised statute, its chapter, and a statement as to whether there have been subsequent amendments, i.e., Excise Tax Act; R.S.C. 1970, c.E. 13 and amendments.

# PART I

INCOME, CAPITAL, GIFT AND INHERITANCE TAXES



## INCOME TAXES LEVIED BY THE FEDERAL GOVERNMENT

Under the Income Tax Act, the federal government levies a tax on the taxable income of individuals and corporations resident in Canada and on the taxable income of non-residents employed or carrying on business in Canada. It also levies a tax on certain payments to non-residents. In this regard, Canada has entered into income tax conventions with several countries to avoid double taxation of the same income and to prevent fiscal evasion.

### Personal Income Tax

For tax purposes, income of individuals encompasses the following:

- (a) salaries, wages, commissions and other forms of personal remuneration as well as returns on investment;
- (b) capital gains, the computation of which is given below;
- (c) payments from income maintenance insurance plans to which the taxpayer's employer has made a contribution;
- (d) unemployment insurance benefits;
- (e) allowances paid under the Adult Occupational Training Act (not including the portion for personal or living expenses while away from home for training);
- (f) allowances paid under the Textile and Clothing Board Act;
- (g) scholarships, fellowships and bursaries (subject to a \$500 exemption), and
- (h) amounts contributed on an employee's behalf to a public medical care plan.

## **Capital Gains**

Half of capital gains realized in a taxation year constitutes an income subject to income taxes at normal personal or corporation rates. Half of capital losses can be deducted from the capital gains brought into income. In cases where capital gains are not sufficient to offset capital losses, income from other sources can be reduced by as much as \$1,000. Gains are generally taxable and losses deductible when a taxpayer sells an asset, makes a gift or dies. Exempt from taxation is any gain realized from the sale of a taxpayer's own home and any gain on the sale of personal property at a price that does not exceed \$1,000. Also exempt from taxation is any farm that passes at death to a child or children of the deceased and which continues to be used for agricultural purposes. For other types of disposition of farm property, farmers have a choice of either being exempt on any gain realized on the sale of the principal residence, or of deducting \$1,000 per year of possession from the gain realized on the sale of the entire farm property including the principal residence.

## Corporation Income Tax

For the taxation of corporation income, a distinction is made between private and public corporations, between two types of corporate income: business or investment income, as well as between Canadian and foreign-controlled corporations. To be defined as public, a corporation must have shares listed on a prescribed Canadian Stock Exchange or which meets certain conditions. It can also either be designated as public by the Minister of National Revenue or elect to be a public corporation. A private corporation is any corporation that is not a public corporation or that is not controlled by a public corporation.

Rates of personal and corporation income taxes are set out in Table 1.

TABLE 1. Income Taxes levied by the Federal Government

		TABLE 1. Inc	ome Taxes levied by the Tederal	
Category	Statutory authority	Basis of measurement of tax	Rate	Exemptions, deductions, tax credits, etc.
Income tax—Individuals	Income Tax Act; S.C. 1970-71, c. 63 and amendments	Taxable income of individuals. Income subject to tax includes half of capital gains. Half of capital losses are deductible from capital gains brought into income and up to \$1,000 of capital losses can be deducted from other income subject to tax.	Personal income tax schedule:  17% on the first \$500 of taxable income \$ 60 on \$ 500 plus 18% on next \$ 500 150 " 1,000 " 19% " " 1,000 340 " 2,000 " 20% " " 1,000 960 " 5,000 " 23% " " 2,000 1,420 " 7,000 " 25% " " 2,000 1,220 " 9,000 " 27% " " 2,000 2,460 " 11,000 " 31% " " 3,000 3,390 " 14,000 " 35% " 10,000 6,890 " 24,000 " 39% " " 15,000 12,740 " 39,000 " 43% " " 21,000 21,770 " 60,000 " 47% " excess	Main exemptions and deductions from net incc to arrive at "taxable income" are:  Single taxpayer
				Taxpayers who are blind or confined to a wheelchair
				Charitable donations — up to 20% of income.
				Medical expenses in excess of 3% of income In lieu of claiming deductions for charita donations and medical expenses, an individ may claim a standard deduction of \$100 w out receipts.
				Union or professional association members dues; no restriction.
				Child care expenses: \$500 for each child ur 14 years of age (maximum \$2,000 per fami
				Employment expenses — up to 3% of employmincome (maximum \$150).
				Individuals are allowed a credit for divide from Canadian corporations, which open as follows: the amount of dividend receive increased by 33-1/3% and added to include and 20% of the "grossed up" dividend is lowed as a credit against tax.
				The personal income tax liability of an indiual who is a resident of Quebec is abate 24%.
				A tax reduction equal to 5% of personal inc tax with minimum of \$100 and maximum \$500 is granted to all taxpayers.
Income tax - Corporations	Income Tax Act	Manufacturing and processing income.  Other business in-	Public corporations: 40% Canadian-controlled private corporations: 20% on the first \$50,000 and 40% on the excess. Public corporations: 48%	Canadian-controlled manufacturing and prosing concerns can fully depreciate in years the production machinery and equation ment which they acquire during the perimany 1972 to 31 December 1974.
		come.	Canadian-controlled private corporations: 25% on the first \$50,000 and 48% on the excess.	There is an abatement of 10% of total tax income earned in the provinces to make I
		Dividend income.	Public corporations: generally exempt.	for the imposition of provincial levies.
			Private corporations: exempt if received from subsidiary corporations; 33 1/3% if received from other corporations (refunded as dividends are paid to shareholders).	
		Other investment income.	48% (half the tax paid by private corporations is refunded as dividends are paid to share-holders).	
	Income Tax Act	Profits of non-resident corporations carrying on business in Canada.	poration income tax).	Deductions from taxable income earned in Can Federal and provincial income taxes and al ance in respect of net increases in busi investment in Canada.
Withholding tax on payments to non- residents		Investment income of non-residents.	General rate - 15% on interest, dividends, management fees, rents, royalties, alimony, patronage dividends, and pension payments.  10% on dividends paid by a corporation "having a degree of Canadian ownership" (25% o voting equity stock), and on rentals of motion picture films and TV tapes.	Interest on bonds or obligations issued April 15, 1966 by the Government of Ca or any of the provinces, by any agent province, educational institution or hos

# INCOME, CAPITAL, GIFT AND INHERITANCE TAXES LEVIED BY PROVINCIAL GOVERNMENTS

### **Income and Capital Taxes**

All provincial governments levy a tax on the income of individuals who reside or, in the case of non-residents, who earn an income from sources within provincial boundaries. As indicated in the preceding General Commentary, the federal government is the collecting agent of provincial individual income tax (Quebec excepted) and provincial corporation income tax (Quebec and Ontario excepted). It was also indicated that rates of provincial individual income taxes are expressed as percentages of "basic federal tax", 1 with the exception of Quebec. Provincial rates are set out in Table 2.

The personal income tax system of the province of Quebec differs from that of the federal government. As mentioned earlier, Quebec does not apply the consumer price indexation mechanism to its personal income tax. However, it relieves completely from tax individuals whose income does not exceed certain amounts. The 1974 Quebec budget raised these amounts from \$2,500 to \$2,600 for a single taxpayer and from \$5,000 to \$5,200 for a married taxpayer. This budget also provided some relief to single and married taxpayers whose income is between \$2,600 and \$2,850 and \$5,200 and \$5,785 respectively. These taxpayers are to pay taxes no higher than 50% of the difference between their net income and the amount of their exemptions. These two modifications became effective as at January 1, 1974. The Quebec system also differs from the federal system in that it does not exempt a dependent child eligible for family allowance; the federal system provides an exemption of \$320 in 1974.2

In addition to the changes mentioned above, the 1974 Quebec budget raised the special exemptions for a taxpayer aged 65 years of age and over and for a taxpayer who is blind or confined to a wheelchair from \$650 to \$1,000, effective January 1, 1974. Effective the same date, the amount the spouse of a taxpayer can earn before such earnings affect the taxpayer's personal exemption was increased to \$500 from \$250.

The other provinces to make personal income tax changes in 1974 were Newfoundland, Ontario and Manitoba. Newfoundland increased its rate from 36.0% to 40% effective July 1, 1974. Ontario increased its retail sales tax credit from 1% to 2% of personal exemptions, and raised the pension tax credit from \$100 to \$110 for taxpayers aged 65 and over. These credits supplement the Ontario real property tax credit and are included in the overall adjustment in respect of taxable income to arrive at the net amount of relief provided (that is, from aggregate gross tax credits claimed, an amount equal to 2% of taxable income is deducted to

establish the effective tax reduction). Manitoba introduced a tax credit program effective January 1, 1974 (to supplement the federal adjustment for increases in the cost of living). Under this scheme, the taxpayer is entitled to a tax credit determined by taking 2% of personal exemptions and, from the amount thus established, substracting 1% of taxable income. This program also supplements Manitoba's real property tax credit scheme.<sup>3</sup>

All provinces levy a tax on corporation taxable income derived from activities carried on within their jurisdiction. In provinces other than Quebec and Ontario, the provincial corporation income tax is imposed on the same base as that established for federal corporation income tax purposes, and are collected by the federal government under Tax Collection Agreements. In Quebec and Ontario, the determination of corporation taxable income follows closely, but not exactly, the federal rules; the two provinces collect their own levy.

None of the provinces changed its rate of corporation income tax in 1974. However, Ontario introduced, as of April 9, 1974, an income tax credit equal to 5% of the increase in paid-up capital or 50% of taxable income, whichever is the lesser, up to a maximum of \$3,000 for Canadian-controlled private corporations qualifying for the federal small business deduction. Quebec extended to March 31, 1975 (from March 31, 1974) the tax credits for corporations investing more than \$150,000 of their profits in designated areas of new technological processes or in the production of goods not yet produced in Quebec. It also extended to March 31, 1975 (from March 31, 1974) the fast write-off for investment in anti-pollution machinery and equipment.

Quebec, Ontario and British Columbia also levy a tax on the paid-up or utilized capital of corporations operating within their boundaries. These rates are set out in Table 2.

As at mid-April 1974, only five provinces are still levying a tax on succession and gifts, namely Quebec, Ontario, Manitoba, Saskatchewan and British Columbia. Quebec, Ontario and British Columbia collect their own succession duties, whereas Manitoba and Saskatchewan have them collected by the federal government. The latter also collects the gift tax levied by all these provinces, with the exception of the Quebec tax.

Quebec and Ontario announced changes in their succession duties for 1974. Quebec expressed its intention to reduce such duties by a further 20% as of January 1, 1975. They were reduced by 20% for the 1974 taxation year. Ontario increased its succession duty exemptions from \$2,000 to \$3,000 for a surviving dependent child for each full year the child is under age 26, and from \$4,000 to \$6,000 per year, for orphans, for each full year the orphan is under age 26, and for invalids, for each full year the invalid is under age 71. The basic exemption below which an estate is not taxable was increased to \$150,000 from \$100,000. All these Ontario changes are in respect of deaths occurring after April 9, 1974.

<sup>1</sup> The basic federal tax is the amount computed according to the graduated rate schedule appearing on page 10 before deduction of any federal tax cut.

<sup>&</sup>lt;sup>2</sup> Instead of providing a personal income tax exemption for a dependent child eligible for family allowances, the province of Quebec pays a supplementary family allowance benefit. This benefit is paid under the terms of a program that complements the related federal program. The Quebec program provides an allowance which increases from \$30 per annum for a first child to a maximum of \$70 per annum for a sixth and each additional child. The Quebec program covers all children of less than 16 years of age.

<sup>&</sup>lt;sup>3</sup> For a description of the Ontario and Manitoba real property tax credit schemes, the reader should refer to Part IV dealing with "Real Property Tax".

TABLE 2. Income, Capital, Gift and Inheritance Taxes levied by Provincial Governments

			merature 2		
Category	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
Personal income tax: Statutory authority	1961 (2nd session), c. 1 and amend-	1961 (2nd session), c. 1 and amend-	The Income Tax Act; S.N.S. 1967, c. 134 and amendments.	The Income Tax Act; S.N.B. 1961 (2nd session), c. 2 and amendments.	The Taxation Act; S.Q. 1972, c. 23 and a ments.
Basis			Federal personal income tax.	Federal personal income tax.	Taxable income of individuals (differs from responding concept of federal incomin that it does not tie principal tions to annual increases in the consume index and there is no exemption for a depichild under 16 years of age).
Rate	40.0%1	36.0%	38.5%	41.5%	10% on first \$2,000 of taxable income \$ 200 on \$ 2,000 plus 11% on next \$ 1   310 " 3,000 " 12% " 2   550 " 5,000 " 14% " 2   830 " 7,000 " 16% " 2   1,150 " 9,000 " 18% " 2   1,510 " 11,000 " 20% " 3   2,110 " 14,000 " 24% " 10   4,310 " 24,000 " 24% " 15   7,910 " 39,000 " 26% " 21   13,370 " 60,000 " 28% on excess.  In addition a special tax of 8/10 of levied on net income under the auth the Health Insurance Act (1970 c. amendments). This tax is subject to a mum of \$125 if at least 3/4 of net in made up of salary and to a maximum in other cases. Proceeds from the lused to help finance the provincial in care program.
Comments	<u> </u>				No tax is payable when net income do exceed \$5,200 if married or \$2,600 if s
Corporation income tax: Statutory authority	1961 (2nd session),	1961 (2nd session),	The Income Tax Act; S.N.S. 1967, c. 134 and amendments.	The Income Tax Act; S.N.B. 1961 (2nd session), c. 2 and amendments.	The Taxation Act; S.Q. 1972, c. 23 and ments.
Basis		Taxable income of	Taxable income of	Taxable income of	Taxable income of corporations.
Rate		10.0%	10.0%	10.0%	12.0%
Comments		_	_	_	A fast write-off is available for corporat vesting in air and water anti-pollution d
					Under a separate statute, corporations ing during the period April 1, 1971; 31, 1975 more than \$150,000 of thei in designated areas in new techn processes or in the production of go yet produced in Quebec can benefit credits ranging from 30% to 100% amounts invested.
Capital tax: Statutory authority		_	_	_	The Corporation Tax Act; R.S.Q. 1966 and amendments.
Basis	_	-			(a) Paid-up capital of corporations. (b) Places of business.
Rates	_	_	_	_	(a) 1/5 of 1%. (b) \$25 to \$50.
Comments	_	_	_	_	Other rates and/or bases of taxation a certain classes of corporations i.e. ance, loan, navigation, telegraph, tel railway, natural gas, electricity, g liquor, brewery and various public companies.
Gift tax:					
Statutory authority	The Gift Tax Act; S.N. 1972, No. 39.	_	****	_	The Taxation Act; S.Q. 1972, c. 23 and ments.
Basis	Aggregate taxable value of gifts made in the year.	_	-	-	Aggregate taxable value of gifts made year.
	on gifts up to \$25,000 to 50% on			_	Graduated from 15% on gifts up to \$2.50% on gifts exceeding \$200,000.
	Personal income tax: Statutory authority  Basis	Personal income tax: Statutory authority	Personal income tax: Statutory authority  Basis  Comments  Rate  Comments  Basis  The Income Tax Act; 1961 (2nd session), c. 1 and amendments.  Federal personal income tax: Statutory authority  The Income Tax Act; 1961 (2nd session), c. 1 and amendments.  Federal personal income tax: Statutory authority  The Income Tax Act; 1961 (2nd session), c. 1 and amendments.  Basis  Taxable income of Taxable income of Taxable income of Corporations.  Rate  Taxable income of Taxable income of Corporations.  13.0%  Comments  13.0%  Comments  Taxable income of Taxable income of Corporations.  10.0%  Comments  Taxable income of Taxable income of Corporations.  10.0%  Comments  Taxable income of Corporations.  13.0%  Comments  Taxable income of Corporations.  10.0%  Comments  Town taxable income of Corporations.  10.0%  Town taxable income of Corporations.  10.0%  Comments  Town taxable income of Corporations.  10.0%  Town taxable income of Corporations.  10.0%  Town taxable income of Corporations.  10.0%  Town taxable income of Corporations.  10.1 Intervent taxable income of	Personal income tax: Statutory authority  The income Tax Act; 1561 (2nd session), 2161	Personal income tax: Statutory authority  Comments.  Basis Federal personal income tax: Statutory authority  The Income Tax Act; 1961 (2nd session), c. 1 and amond-coments. Basis Federal personal income tax: Statutory authority  The Income Tax Act; Statutory authority  The Income Tax Act; Statutory authority  Statutory authority  The Income Tax Act; Statutory authority  Statutory authority  The Income Tax Act; Statutory authority  The In

Effective July 1, 1974.

TABLE 2. Income, Capital, Gift and Inheritance Taxes levied by Provincial Covernments

	TABLE 2. Income, Cap.	ital, Gift and Inheritance Taxes	s levied by Provincial Gover	rnments	
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	No.
					140.
Income Tax Act; 970, c. 217 and amen	R.S.O. dments. The Income Tax Act (Manito R.S.M. 1970, c. I, 10 and ame ments.	ba); The Income Tax Act; S.S. 1965 c. 62 and amendments.	The Alberta Income Tax Act, R.S.A. 1970, c. 182 and amendments.	The Income Tax Act; 1962, c. 2	7 1
eral personal income	e tax. Federal personal income tax.	Federal personal income tax.	Federal personal income tax.	Federal personal income tax.	2
30.5%	42.5%	40.0%	36.0%	30.5%	
				30.3%	3
_	-	_	_	_	4
Corporations Tax Act; 70, c. 91 and amenda	R.S.O. The Income Tax Act (Manitoba R.S.M. 1970, c. I, 10 and amen ments.	The Income Tax Act; S.S. 1965, c. 62 and amendments.	The Alberta Income Tax Act; R.S.A. 1970, c. 182 and amendments.	The Income Tax Act; 1962, c. 27 and amendments.	5
ble income of corpor	ations. Taxable income of corporation	s. Taxable income of corporations.	Taxable income of corporations.	Taxable income of corporations.	6
12.0%	13.0%	12.0%	11.0%	12.0%	
credit is available for of the increase in capital or 50% of ta capital or capital	paid- axable lesser 100 for rivate for the	-	_	12.076	8
orporations Tax Act; 0, c. 91 and amendm	R.S.O. ents.	-		The Income Tax Act; 1962, c. 27	9
ip capital of corporat	tions.	_		and amendments.  Utilized capital of corporations.	10
1%.	_	_		1/10 of 1%.	11
_	_	_			
					12
plift Tax Act; S.O. 1	1972, The Gift Tax Act; S.M. 1972, c. 12 G55.	The Gift Tax Act; S.S. 1972, c. 48.		The Gift Tax Act; S.B.C. 1972,   c. 23.	13
ate taxable value of in the year.	Aggregate taxable value of gifts made in the year.		_	Aggregate taxable value of gifts made in the year.	14
ted from 15% on gifts 5,000 to 50% on gifts ing \$200,000.	Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.	Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.	_	Graduated from 15% on gifts up to \$25,000 to 50% on gifts exceeding \$200,000.	15

TARLE 2 Income Capital, Gift and Inheritance Taxes levied by Provincial Governments - Concluded

	Category	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
1	Exempton	Gifts up to \$5,000 a year to a spouse and up to \$2,000 a year to any other donee with an aggregate annual maximum of \$15,000.  Gifts to Canadian charitable organizations or to any government in Canada.  Testamentary gifts and gifts taking effect on the death of the donor.				Gifts up to \$5,000 a year to a spouse. Gift to \$2,000 a year to any other donee waggregate annual maximum of \$10,000.  Once-in-a-lifetime exemption of \$75,000 f farmer making an inter vivos gift of hi or other farm property to one or more children.  Gifts to Canadian charitable organization to any government in Canada.  Testamentary gifts and gifts taking effithed the death of the donor.
2 1	Comments	-				-
	Succession duties: Statutory authority	The Succession Duty Act; S.N. 1972, No. 40.				The Succession Duties Act; R.S.Q. 19
4	Basis	Net value of property passing at death.				Net value of property passing at death.
5	Rates	Graduated from \$7.000 on the first \$50,000 of aggregate net value plus 18% on the next \$10,000 to 50% on aggregate net value in excess of \$300,000.				On estate: Direct line - 1.8% to 15% Collateral line - 4% to 20% Strangers - 10% to 30% On individual's share in estate: Direct line - 1% to 10% Collateral line - 1% to 10% Strangers - 2% to 5%.
6	Estates not subject to duties (all other estates are fully dutiable)	Estates valued at \$500,000 or less passing to a surviving spouse. All estates valued at \$50,000 or less.				Estates valued at \$150,000 or less where tirely transmitted in direct line; where the tates are entirely transmitted in direct line and their value exceeds \$150,000, sion duties must not lower their value \$150,000; where parts of estates at mitted in direct line and where the any such part exceeds \$150,000, such duties must not lower the values of the below \$150,000.
7	Exemptions	\$10,000 for each child or grandchild plus an additional \$1,000 for each year that he or she is under 26 years of age (for each year under 71 years of age in the case of an infirm child or grandchild). Bequests to Canadian charitable organizations.  Survivor benefits under the Canada and Quebec Pension Plans.  Individual bequests of \$1,000 or less.				Amounts derived from contributions be pension plan and reimbursements of butions toward such a plan.  Bequests to Canadian charitable organized the control of the control
	8 Comments					

TABLE 2. Income, Capital, Gift and Inheritance Taxes levied by Provincial Governments - Concluded

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	I.
teation as to amount. Gifts to \$2,000 a year to any or done with an aggre-e annual maximum of .000.  in-a-lifetime exemption of for or y farmer making intervivos gift of his land	Gifts up to \$5,000 a year to a spouse and up to \$2,000 a year to any other donee with an aggregate annual maximum of \$15,000.  Gifts to Canadian charitable organizations or to any government in Canada.	Gifts up to \$5,000 a year to a spouse and up to \$2,000 a year to any other donee with an aggregate annual maximum of \$15,000.  Gifts to Canadian charitable organizations or to any government in Canada.		Gifts up to \$10,000 a year to a spouse. Gifts to any other donee up to \$2,000 a year with an aggregate annual maximum of \$10,000. Once-in-a-lifetime exemption of up to \$10,000 in respect of an	
ther farm property to one ore of his children.  o Canadian charitable orzations or to any governin Canada.  mentary gifts and gifts geffect on the death of	Testamentary gifts and gifts taking effect on the death of the donor.	Testamentary gifts and gifts taking effect on the death of the donor.		interest in real property to a child if such property is to be used in farming operations.  Gifts to charitable organizations and to any government in Canada.	
donor.	-	-		Testamentary gifts and gifts taking effect on the death of the donor.	2
Succession Duty Act; O. 1970, c. 449 and adments.	The Succession Duty Act; S.M. 1972, c. S215.	The Succession Duty Act; S.S. 1972, c. 124.		The Succession Duty Act; S.B.C. 1960, c. 27 and amendments.	3
ue of property passing at	Net value of property passing at death.	Net value of property passing at death.		Net value of property passing at death.	-1
tate:  to line $-10\%$ to 28%  atteral line $-24\%$ to 34%  tggers $-35\%$ to 70%  vidual's share in estate:  to line $-5\%$ to 30%  atteral line $-6.4\%$ to 26%  tggers $-$ nil.	Graduated from 10% on the first \$10,000 of aggregate net value to 50% on aggregate net value in excess of \$300,000.	Graduated from \$7,000 on the first \$50,000 of aggregate net value plus 18% on the next \$10,000 to 50% on aggregate net value in excess of \$300,000.		On individual's share in estate: Direct line (special beneficiaries) - 10% to 36% Collateral line - 8% to 38% Strangers - 13%% to 40%.	5
s passing to a surviving se. ates valued at \$150,000 ss.		All estates valued at \$50,000 or less.		-	6
tional \$3,000 for each full that a dependent child is r 26 years of age, and an ional \$6,000 for each full thatan orphan or an invalid der 26 and 71 years of age ectively.  eness of duty at the rate /25 per year for farms ing at death for a child hildren of the deceased continuing to be used for cultural purposes (full fover twenty five years). ets to Canadian charge organizations.	to preferred successors that include a spouse. \$150,000 if estate is transmitted to preferred successors that do not include a spouse. An additional \$1,000 for each year that an infirm child is under 71 years of age. Up to \$25,000 for collateral successors to the extent that the \$150,000 preferred successors exemption has not been fully "used up". Charitable bequest-up to 20% of the aggregate value of property passing at death or 50% of the aggregate not value of	\$200,000 if estate is transmitted to preferred successors that include a spouse. \$150,000 if estate is transmitted to preferred successors that do not include a spouse.  An additional \$1,000 for each year that an infirm child is under 71 years of age.  Up to \$25,000 for collateral successors to the extent that the \$150,000 preferred successors exemption has not been fully "used up".  Bequests to Canadian charitable organizations and to any government in Canada.  Survivor benefits under the Canada and Quebec Pension Plans.  Individual bequests of \$1,000 or less.		\$125,000 if estate is transferred to special beneficiaries plus additional exemptions for family home of any value, insurance up to \$25,000, annuity or pension payments up to \$250 a month. (In no event can the exemption for this class be less than \$150,000.)  Up to \$25,000 if property is transmitted to collateral beneficiaries.  Up to \$10,000 if property is transmitted to strangers.	7
	Survivor benefits under the Canada and Quebec Pension Plans. Individual bequests of \$1,000 or less.				8



# PART II

GENERAL SALES TAXES



## GENERAL SALES TAXES

The federal government levies a general sales tax on the selling price of goods manufactured in Canada and on the duty-paid-value of imported commodities. This tax is payable by the manufacturer at the time of delivery to the purchaser, or when the ownership of the goods changes (i.e., when the property in the goods passes), or by the importer at the time of import. On most commodities, the rate is 12%; it is 11% on a wide range of building materials. Full exemption is allowed on raw materials, production machinery, research equipment, processing materials, and a number of designated consumption goods.

With the exception of Alberta, all provinces tax, at the retail level, a wide range of consumer goods and services. Rates vary from 5% in Manitoba, Saskatchewan and British Columbia to 7% in Nova Scotia and Ontario, and to 8% in Newfoundland, Prince Edward Island, New Brunswick and Quebec.

The main changes introduced in provincial sales taxation in 1974 were as follows:

- (a) Newfoundland raised its rate from 7% to 8% effective April 10, and added to its list of exemptions as at January 1, 1974, domestic fuel and heating oil.
- (b) Prince Edward Island made exempt from its retail sales tax materials used in making clothing, soap and cleaning supplies (including towels and the like), books and other printed material of informational or literary value as well as all articles traded in against purchases (an exemption was previously applicable only in respect of motor vehicle trade-ins). It raised the minimum taxable sale from 11¢ to 16¢, abolished

the tax on prepared meals of \$2.00 or less and provided relief to newlyweds for the purchase of furniture and other household supplies (the sales tax paid on the first \$1,000 worth of purchases to be refunded if claimed within one year of marriage). All these changes became effective April 2.

- (c) New Brunswick has made exempt from sales taxation clothing and footwear as well as microfilm purchased by libraries which contains information equivalent to a book that would otherwise be exempted. It also increased the exemption for prepared meals to \$2.00 from \$1.00. Purchases under \$300 made by Status Indians off the reservation for delivery in the reservation were made exempt. All these changes became effective March 15.
- (d) Ontario enlarged its list of exemptions, effective April 29, to include a number of personal hygiene items such as toothpaste, baby powder, soap, deodorants and feminine hygiene products. All footwear sold at a price not exceeding \$30 were also made exempt.
- (e) Manitoba raised its exemption for prepared meals to \$2.99 from \$1.99, effective as at April 1; and extended, as at March 21, its exemptions to purchases made by Indians living on reservations, with the exception of purchases of motor vehicles and alcoholic beverages.
- (f) British Columbia exempted, as of February 11, all books and second-hand clothing.

Further details on the general sales taxes levied by the federal and provincial governments are provided in Table 3.

TABLE 3. General Sales Taxes levied by the Federal and Provincial Governments

No.		Federal	Newfoundland	Prince Edward	Nova Scotia
				Island	210100000
	Statutory authority	Excise Tax Act; (Part V), R.S.C. 1970, c.E. 13 and amendments.	Retail Sales Tax, 1972, Act No. 56 and regulations.	The Revenue Tax Act; 1960, c. 36 and amendments.	Health Service Act; R.S. N.S. c. 126 and an ments.
2 1	Basis	Manufacturer's selling price or duty—paid value of imports.	Retail price.	Retail price.	Retail price.
3 1	Rate	12%; special rate of 11% on most building materials.	8%	8%	7%
I	Exemptions:				
	Commercial fisheries:				
4	Boats	X	X	X	X
5	Equipment and apparatus	$L^1$	X	X	X
	Educational and religious:				
6	School text books	X	X	X	X
7	Religious books	X	-	X	X
8	Scientific, educational and cultural books	Х	-	X	X
9	Classroom supplies	L <sup>1</sup>	_	X	X
10	Sales to churches	$L^1$	_	$L^4$	L <sup>4</sup>
	Newspapers and periodicals:				
11	Newspapers	x	L <sup>5</sup>	1	x
12	Periodicals, subscriptions	X	-	X	X
13	Periodicals, over the counter	X	_	-	-
	Farming:				
14	Farm produce	X	2	2	2
15	Farm equipment and implements	X	X	x	x
16	Feed, seed, fertilizer	X	x	x	x
17	Insecticides	X	x	x	x
18	Weed killers	X		x	x
19	Fungicides	X	X	x	x
20	Fruit trees	X	x	x	х
21	Livestock	X	x	x	х
	Food and drink:				
22	Food	X	x	x	. x
23	Candy		_	_	-
24	Soft drinks		_	x	***
25	Meals	N/A	_	$\Gamma_{e}$	r <sub>e</sub>
26	Alcoholic beverages	-	-	No. of the Control of	_
	Fuels and electricity:				
27	Firewood	X	x	x	x
28	Coal		-	x	X
29	Fuel oil (heating)	j	x	x	X
30	Gas (heating, cooking, etc.)		_	x	X
31	Electricity		_	X	s <sup>7</sup>
32	Gasoline		s <sup>8</sup>	s <sup>8</sup>	s <sup>8</sup>

TABLE 3. General Sales Taxes levied by the Federal and Provincial Governments

		Taxes levied	by the Federal and Pro	ovincial Governments		
New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	British Columbia	No
cial Services and Edu- cation Tax Act; R.S.N.B. 1952, c. 213 and amendments.	Retail Sales Tax Act; R.S.Q. 1964, c. 71 and amendments.	The Retail Sales Tax Act; R.S.O. 1970, c. 415 and amendments.	The Retail Sales Tax Act; R.S.M. 1970, c. R150 and amend- ments.	The Education and Health Tax Act; R.S.S. 1965, c. 66 and amend- ments.	The Social Services Tax Act; R.S.B.C. 1960, c. 361 and amendments.	No.
tail price.	Retail price and rent of tangible personal property.	Retail price and rent of tangible personal property.	Retail price.	Retail price and rent of tangible personal property.	Retail price.	2
8%	8%	5% prior to May 1; 7% effective after May 1.	5%	5%	5%	3
X	х	x	x	_		
Х	X	X	x	L <sup>2</sup>	X X	5
			Δ.	r_	A	5
X	x	x	х	х	x	6
X	X	x	X	$L^3$	X	7
X	X	X	Х	_	_	8
X L <sup>4</sup>	X	X	_	-	X	9
F.	X	X	-	-	-	10
x	1					
X	X	X	X	X	X	11
_	x	X	X	X	X	12
	A	X	X	-	Х	13
2	х	x	x	x	2	
Х	X	x	X	x		14
x	X	x	X	x		15
X	X	X	X	x		16
x	X	x	x	x		17
x	X	x	X	x		18
X	X	x	x	X		19
X	x	x	x	x		20
			**	Δ.	X 2	21
х	X	x	X	х	<b>x</b> 2	22
Title .	-	_	-	_	1	23
-	-	_	X	x		24
r <sub>e</sub>	s <sup>1</sup>	s <sup>2</sup>	L <sup>7</sup>	L <sup>8</sup>		25
-	s <sup>3</sup>	s <sup>4</sup>	s <sup>5</sup>			26
х	X	х	X	X	X 2	:7
х	X	х	X	X	X 2	8
x	Х	X	-	X	s <sup>7</sup>	9
х	-	X	X	X	- 3	
X	-	X	Х	L <sup>9</sup>	- 3:	1
s <sup>8</sup>	s <sup>8</sup>	s <sup>8</sup>	s <sup>8</sup>	s <sup>8</sup>	s <sup>8</sup> 32	2

TABLE 3. General Sales Taxes levied by the Federal and Provincial Governments - Concluded

	TABLE 3. General Sales Taxes levie	Federal	Newfoundland	Prince Edward Island	Nova Scotia
No.					
	Exemptions - Concluded:				
	Health:		47	x	X
1	Drugs and medicines on prescription	X	X	X	X
2	Other drugs and medicines	X		X	X
3	Orthopaedic appliances, etc	X	X	X	_
4	Personal hygiene items	_		^	
	Production machinery and processing materials:			v	х
5	Physical ingredients	X	X 110	X X	X
6	Industrial machinery	X	1,11	X	X
7	Processing materials	X	P.	A	43
	Purchases by municipalities	$\mathbb{L}^1$	_	$L^1$	x
8	Purchases by municipatities				
	Transportation equipment:				
9	Railway rolling stock	L <sup>16</sup>	X	X	X
10	Other railway supplies	-	3	20	- 20
11	Commercial vessels	L.18	L <sup>19</sup>	L <sub>17</sub> <sup>20</sup>	L <sup>20</sup>
12	Commercial aircrafts	$L^{17}$	X	L <sup>17</sup>	P.
	Wassillanama				
	Miscellaneous:		x	x	x
13	Sales to federal government	_ X	A	_	X
14	Sales to provinces	X X	v	X	x
15	Sales for exportation or for out of province delivery	X	X L <sup>24</sup>	L <sup>24</sup>	L <sup>24</sup>
16	Clothing and footwear	°S9	_	_	_
17	Building materials	N/A	4	4	4
18	Small sales	14/ £%			
	Services subject to tax:				
19	Hotel and motel room rental	N/A	yes	yes	yes
20	Telephone services	N/A	yes	yes	s <sup>7</sup>
21	Long distance telephone calls	N/A	yes		S.
22	Other telecommunications	N/A	yes		
23	Repairs	N/A	yes	yes	
24	Laundry and dry-cleaning	N/A	yes	yes	
25	Printing, photography, writing	yes	yes		

#### Legend:

- X: Unqualified exemption.
- L: Limited exemption. S: Subject to special rates, taxed under a separate statute, or subject to time limitation.
- -: not exempt.

### Specific references:

- Loss Exemption limited to certain designated goods.

  Loss Exemption limited to fishing nets, which are unconditionally exempt.

  Loss Exemption limited to bibles, testaments, prayer books, messals and hymn books.

  Loss Exempt under salout.

  Loss Exempt under \$2.01.

  Loss Exempt under \$3.00.

  Loss Exempt under \$3.00.

  Loss Exempt under \$2.51.

  Loss Exempt under \$2.51.

  Loss Exempt under \$2.51.

  Loss Exempt under salout.

  Loss Exemption imited to railways, mines, shipyards and pulp and paper companies, for installation and expansion of plant and equipment.

  Loss Exemption imited to railways, mines, shipyards and pulp and paper companies, for installation and expansion of plant and equipment.

  Loss Exemption limited to railways, mines, shipyards and pulp and paper companies, for installation and expansion of plant and equipment.

  Loss Exemption limited to callysts or direct agents.

  Loss Exemption limited to catalysts or direct agents.

  Loss Exemption limited to a rebate on purchases entering into capital investment and to certain equipment for roads and firefighting.

  Exemption limited to insecticides, fungicides and herbicides, for roadways or road allowances and to electricity for street lighting, fire prote street railway operation, sewage disposal, pumping and manufacturing.

  Loss Exempt when used exclusively for international trade.

  Loss Exempt when locensed to engage in the Canadian coastal trade.

  Exempt when locensed to engage in the Canadian coastal trade.

  Exempt when normally operating in certain territorial waters.

- $\stackrel{L_{20}}{_{\cdot}}$ : Exempt over 300 tons. L : Exempt when normally operating in certain territorial waters.

TABLE 3. General Sales Taxes levied by the Federal and Provincial Governments - Concluded

New Brunswick	Quebec	Ontario	Manitoba Manitoba	Saskatchewan	British Columbia	
			1			No.
x - x -	x - x -	x - x x	x x x -	x x x -	X X X —	1 2 3 4
х х L <sup>12</sup>	X S <sup>10</sup> L <sup>11</sup>	x - x	x - x	r <sub>13</sub>	x - L <sup>12</sup>	5 6 7
-	_	L <sup>14</sup>	_	L <sup>15</sup>	-	8
X 	x - x L <sup>22</sup>	X - L <sup>21</sup> L <sup>17</sup>	x - - L <sup>22</sup>	x - - L <sup>23</sup>	L <sup>17</sup> - L <sup>21</sup> L <sup>22</sup>	9 10 11 12
X - X X X	X X X X 	X  X L <sup>25</sup> 	X  X X 	X  X  	X  X X  4	13 14 15 16 17 18
yes yes yes yes	s <sup>7</sup> s <sup>7</sup> s <sup>7</sup>	yes yes yes yes	yes L <sup>26</sup> L <sup>26</sup> yes yes yes yes	yes L <sup>27</sup> L <sup>27</sup> yes	s <sup>7</sup> yes	19 20 21 22 23 24 25

## cific references - Concluded:

L21: Exempt over 500 tons gross.
L22: Partially exempt on the basis of mileage of use within the province.
L23: As a matter of policy resident based aircraft are taxable at the full rate and non-resident based aircraft on the basis of 1/60 of the original cost of the aircraft for each month or part month the aircraft operates in the province.
L24: Children's clothing exempt.
L26: Footwear \$30 and under exempt.
L27: Exempt under 46¢.
L27: Exempt under 46¢.
L27: Exempt when telephone call made from a coin operated box and is under 49¢.
S1: Meals are not subject to the general retail sales tax in Quebec but to a separate tax imposed under the Meals and Hotels Tax Act at the same rate as the general retail sales tax; meals of \$1.49 or less are exempt.
S2: Special rate of 10% on meals of \$4.01 or over; meals of \$4.00 or less are exempt.
S3: Special rate of 10% on meals of \$4.01 or over; meals of \$4.00 or less are exempt.
S4: Beer is subject to a special tax in lieu of sales tax; spirits are subject to the general sales tax.
S5: Spirits and beer are subject to a special tax of 10%.
S6: Spirits when so and imported beer are subject to a special tax of 10%.
S7: Draught beer sold by the glass on licenced premises is exempt.
S8: Taxed under a separate statute — See Table 5 "Miscellaneous Provincial Taxes".
S9: Motive fuels are taxed separately in all provinces — See Table 5 "Miscellaneous Provincial Taxes".
S7: Subject to tax at special rate of 11%.

In practice, newspapers are not taxed because they sell for prices less than the amount of the exemption for small sales.
 In practice, almost all such sales consist of foods and other goods specifically exempt.
 Tax not paid by Canadian National Railways.
 Sales below 8¢ in Newfoundland, 16¢ in Prince Edward Island, 16¢ in Nova Scotia, 12¢ in New Brunswick, 16¢ in Quebec, 21¢ in Ontario, 26¢ in Manitoba, 15¢ in Saskatchewan, and 16¢ in British Columbia.



## PART III

OTHER IMPORTANT TAXES LEVIED

BY THE FEDERAL AND

PROVINCIAL GOVERNMENTS



# OTHER IMPORTANT LEVIES BY THE FEDERAL AND PROVINCIAL GOVERNMENTS

The federal government imposes customs duties on most imported commodities under the authority of the Customs Tariff Act; R.S.C. 1970, c. 41 and amendments. The rates are mainly ad valorem although a few are of the specific amount variety. There are three categories of rates: (a) British preferential, which are the lowest, (b) most-favoured-nations, which are established under special agreements with various countries and (c) general, which apply to imports from all other countries not covered by (a) and (b). The tariff schedules are too lengthy and complex to be summarized in this publication. The rates pertaining to particular items may be obtained upon request from Revenue Canada, Customs and Excise.

Under the provisions of the Excise Act, the federal government also levies duties on alcoholic beverages (other than wines) and tobacco products. In addition it levies, pursuant to the Excise Tax Act, special excise taxes on a number of specific goods, including tobacco products and wines, as well as a special tax on certain insurance premiums. Under this statute, the federal government introduced in October 1973, a tax on the export of crude oil. In May of 1974, the coverage of the tax was broadened to include the export of refined oil products (subject to National Energy Board Licences). Details pertaining to these taxes as well as to the other taxes levied under the Excise Tax Act, and the duties under the Excise Act are presented in Table 4.

Provincial governments resort extensively to the taxation of admissions to places of amusement, motive and other fuels, insurance premiums, mining operations, race track betting, tobacco products, to fees on motorvehicle registrations and to driving licences and permits. Three provinces and one territory levy premiums and one province, a payroll tax, to help finance their hospitalization and medical care programs. Some provinces levy special taxes on alcoholic beverages, land and security transfers, meals and lodging, telecommunications and logging operations; whereas in other provinces, these items are subjected to general sales taxes. Details pertaining to these levies are provided in Table 5.

All provincial governments derive substantial amounts of revenue through the sale of alcoholic beverages by provincial agencies operating as boards or commissions which exercise monopolistic control over the distribution of these products. The markups of these liquor boards and agencies are established in a way that constitutes effectively a kind of taxation. The markups are not publicized and thus are not reported in this publication. In certain provinces beer and/or wine may be sold by private retailers as well as by liquor board or commission outlets. However, regardless of the mode of distribution at the retail level, all sales of alcoholic beverages contribute to provincial revenue.

A number of changes were made in the abovementioned areas of provincial taxation in 1974, among which the most important are:

## (a) Motive Fuel Taxes

Manitoba reduced, as of April 1, its motive fuel tax on gasoline from 17¢ to 15¢ per gallon, and on diesel fuel, from 20¢ to 18¢ per gallon; Saskatchewan lowered its motive fuel tax rate on gasoline from 19¢ to 12¢ per gallon, and on diesel fuel from 21¢ to 16¢ per gallon, effective May 15; and Alberta reduced, as of April 1, its motive fuel tax on gasoline and diesel fuel by 5¢ per gallon.

### (b) Medical Care Premiums

Saskatchewan abolished, as of January 1, medical care premiums for all residents; and Alberta eliminated, as of July 1, medical care premiums for residents without taxable income.

## (c) Mining, Oil and Natural Gas Taxation

Ontario replaced, as of April 9, its 15% tax on the profits of mining corporations by rates varying from zero on profits of less than \$100,000 to 40% on profits in excess of \$40 million; Manitoba increased, effective April 1, the rate of taxation on mining profits over \$50,000 from 15% to 23% and, as of the same date. introduced, in addition to an annual royalty, a monthly royalty on the assessed value of developed and new oil wells; Saskatchewan introduced a mineral income tax on crude oil and road allowance oil produced from small free-holdings and a royalty surcharge on the operator's share of oil production from Crown lands (including road allowance oil), and increased the acreage tax to 50¢ per acre up to 500,000 acres and to \$1.00 for 500.000 acres or more (previously this tax varied from 10¢ to 50d depending on the size of land holdings).2 All these changes in Saskatchewan were made retroactive to January 1. Alberta increased royalties on developed and new oil-wells production from Crown lands as of July 1, and on natural gas production retroactive to January 1. British Columbia levied, as of January 1, 1973 a tax on mineral land holdings (details are spelled out in Table 5), imposed a royalty of 2.5% on the designated value of minerals sold, disposed of, or used by producers. effective January 1, 1974, and placed, as of August 1, a tax of \$1.00 per ton on metallurgical coal and 50¢ per ton on thermal coal.

### (d) Other Taxes

Ontario introduced a tax of 50% on the increase in value (between April 9, 1974 and the date of sale) realized on the sale of designated land (all real property except Canadian resource property) effective April 10. It also increased, at the same date, the transfer tax on purchases of land by non-residents of Canada from 6/10 of 1% to 20%. Manitoba served notice of its intention to relinquish to municipalities, as of December 31, 1974, the provincial 10% tax on amusements. British Columbia reduced as of June 20, the tax on logging from 15% to 10% on profits over \$10,000. The Northwest Territories levied, as of April 1, a tax of 8/25 of 1¢ on all cigarettes and a tax varying from 1¢ to 7¢ on cigars.

<sup>&</sup>lt;sup>1</sup> For information on the revenue derived by the provinces from the sale of alcoholic beverages, refer to *The Control and Sale of Alcoholic Beverages in Canada*, Catalogue 63-202.

<sup>&</sup>lt;sup>2</sup> Royalty on potash was brought to \$1.20 from 60¢ per product ton on October 1, 1973.



TABLE 4. Excise Duties and Excise Taxes levied by the Federal Government

Category	Statutory authority		I	Rate	Comments
xcise duties	R.S. 1970	Tobacco <sup>1</sup> —on domestic production: Manufactured tobacco excluding ciga-			Imported tobacco products are not subject to carrie
	c. E12	rettes		35¢	duties but the customs duties to which they are liablinclude an element in respect of excise.
	amend- ments	Cigarettes weighing not more than 3 lbs.		\$4.00	
		Cigarettes weighing more than 3 lbs. per		\$5.00	
		Cigars Canadian raw leaf tobacco when sold for	44	\$2.00	
		consumption  Spirits and beer:	per pound	10¢	
		Domestic potable spirits on the strength of proof distilled in Canada Non-potable spirits used in the manu- facture of:	per proof gal.	\$14.25	These duties do not apply to denatured alcohol for use in the arts and industries, nor for fuel, light or power for any mechanical purpose, nor do they apply to spirits used in the manufacture of vinegar, to certain
		Medicines, extracts, pharmaceutical preparations, etc.	44	\$1.50	used in the manufacture of toilet propagation
i I		Approved chemical compositions Spirits sold to druggists and used in preparation of prescriptions	e c e c	15¢ \$1.50	cosmetics subject to special excise tax. The Customs Tariff applies equivalent duties on imports.  Imported spirits and beer are not subject to excise duties but the customs duties to which they are liable include an algorithm.
		Imported spirits taken into bonded manu-	4.6	30¢	include an element in respect of excise.
		factory, in addition to other duties Canadian brandy Beer	44	\$12.25	
lcise	Excise Tax	Insurance companies:	per gallon	42¢	Evaluding
axes	Act; (Part I), R.S. 1970, c. E13 and amendments.	British or foreign companies not authorized to transact business in Canada, or non-resident agents of authorized British or foreign companies.	net premium	10%	Excluding insurance against marine risks, nuclear risks and life, personal accident or sickness insurance.
Export	An Act to impose an oil export tax under the Excise Tax Act and to allocate certain revenues derived from the oil export tax, 21-22, Elizabeth II, 1973.		\$1.90 from De to December \$2.20 from Jan January 31, 1 \$6.40 from Feb March 31, 197	mber 30, 1973 cember 1, 1973 31, 1973 uary 1, 1974 to 974 tuary 1, 1974 to '4	This Act ceased April 1, 1974.
	ļ	Refined by-products of oil and natural gas subject to National Energy Board's licences.	per gallon \$4.0 1974 to May 3 \$5.20 from June	1, 1914	These rates were set by the Minister of Energy, Mines and Resources. Parliamentary approval would be sought when Parliament reconvened.
	(Parte IV	Jewellery, clocks, watches valued at more than \$50 at manufacture	ad valorem²	. 10%	
	and V),	Playing cards	per pack	20¢	
	1970, c.	Coin-operated amusement devices Tobacco <sup>1</sup> and smoker's accessories:	ad valorem	10%	
		Cigarettes	per 5	3¢ 17½%	
	amend-	Cigars	ad valorem		
1		Matches Lighters	ad valorem	10%	
1	amend-	Matches	per unit ad valorem	10% 10¢ 10%	
1	amend- ments.	Matches Lighters Cigarette holders, pipes, etc. Tobacco — manufactured Wines:	per unit ad valorem per pound	10% 10¢ 10% 90¢	Excluding imports. Customs duties on imports are set
	amend- ments.	Matches Lighters Cigarette holders, pipes, etc. Tobacco — manufactured Wines: Wines of all kinds containing 7% or less of absolute alcohol by volume	per unit ad valorem	10% 10¢ 10% 90¢	Excluding imports. Customs duties on imports are set to take into account the taxes levied on domestic production of wines.
	amend- ments.	Matches Lighters Cigarette holders, pipes, etc. Tobacco — manufactured  Wines: Wines of all kinds containing 7% or less of absolute alcohol by volume Non-sparkling wines containing more than 7% of absolute alcohol by volume	per unit ad valorem per pound	10% 10¢ 10% 90¢	to take into account the taxes levied on domestic
	amend- ments.	Matches Lighters Cigarette holders, pipes, etc. Tobacco — manufactured Wines: Wines of all kinds containing 7% or less of absolute alcohol by volume Non-sparkling wines containing more than 7% of absolute alcohol by volume but not over 40% of proof spirits Chammagne and sparkling wines	per unit ad valorem per pound  per gallon	10% 10¢ 10% 90¢ 25¢ 50¢	to take into account the taxes levied on domestic production of wines.
1	amend- ments.	Matches Lighters Cigarette holders, pipes, etc. Tobacco — manufactured Wines: Wines of all kinds containing 7% or less of absolute alcohol by volume Non-sparkling wines containing more than 7% of absolute alcohol by volume but not over 40% of proof spirits	per unit ad valorem per pound  per gallon	10% 10¢ 10% 90¢ 25¢ 50¢	to take into account the taxes levied on domestic

Is Bringing together the taxes imposed on tobacco products under the Excise Pax Act and the Control of the String tobacco products are:

Cigarettes - \$10.00 per thousand (or 20¢ per pack of cigarettes) plus the 12% sales tax on the manufacturer's sale price including excise duty.

Manufactured tobacco - \$1.25 per pound plus the 12% sales tax on the manufacturer's sale price including excise duty.

Cigars - \$2.00 per thousand plus the 17% excise tax and the 12% sales tax on the manufacturer's sale price including excise duty.

An "ad valorem" tax is levied as a percentage of the value of the goods, which, for tax purposes, includes customs duties in respect of imported goods excise duties in the case of tobacco and alcoholic products manufactured in Canada. Where an article is subject to the general sales tax and to the excise whom taxes apply separately to the same value.

	TABLE 5. Miscellaneous Provincial Taxes									
No		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec				
No.	Amusement taxes Statutory authority	-	The Entertainments Act; S.P.E.I. 1971, c. 13 and amendments.	Theatres and Amusements Act; R.S.N.S. 1967, c. 304 and reg-	Theatres, Cinematographs and Amusements Act; R.S.N.B. 1952, c. 228 and amend-	Amusement Tax R.S.Q. 1964, c. 76				
				ulations.  Admission price	ments.  Admission price	Admission price				
3	Basis	-	Admission price  From:  45¢ - 60¢	From: 56¢ - 70¢ 5¢ 71¢ - \$1.00 10¢ over \$1.00 5¢ extra for each additional 50¢ or fraction thereof.	Theatre rates:  Up to 25¢	10%				
					Up to 25¢ 2¢ from 26¢ to 50¢ 5¢ from 51¢ to \$1.00 10¢ and 5¢ for each additional 50¢ or fraction thereof in excess of \$1.00.					
4	Comments	-	Exemptions: Church, school and municipal functions; certain other amateur or private functions; tickets costing less than 45¢.	Exemptions: Religious, educational or char- itable functions; tick- ets costing 55¢ or less.	Exemptions: School enter- tainment; agricultural fairs; religious, educational or charitable functions.	Exemptions: Chariagricultural or cfunctions. Taxes lected by the mpalities.				
5	Motive and other fuel taxes Statufory authority	The Gasoline Tax Act; R.S.N. 1970, c. 47 and amendments. The Fuel Oil Tax Act; R.S.N. 1970, c. 145.	The Gasoline Tax Act; S.P.E.I. 1971, c. 15 and amendments.	Gasoline and Diesel Oil Tax Act; R.S.N.S. 1967, c. 116 and amendments.	Gasoline and Motive Fuel Tax Act; R.S.N.B. 1965, c. 3 and amendments.	Gasoline Tax Act; F 1970, c. 30 and a ments.				
6	Basis	Per gallon	Per gallon	Per gallon	Per gallon	Per gallon				
7	Rate	Motor fuel — 25¢ Fuel oil — 1¢	Gasoline -21¢ Diesel fuel -25¢	Gasoline fuel — 21¢ Diesel fuel — 27¢ Aviation fuel — 3¢	Gasoline — 20¢ Diesel fuel — 23¢ Aviation fuel — 3¢	Gasoline -19¢ Diesel fuel -25¢ Aviation fuel - 3¢				
8	Comments	Exemptions for gasoline used by governments, by foreign diplomats, in aircraft, in motorized equipment (other than trucks and automobiles) used for agricultural or logging purposes, in sawmills, in fish processing plants, in certain manufacturing plants, in vessels and boats used in trade, in electrical power generating plants, in household appliances, as household appliances, as household appliances, as household read appliances, as household fuel, and for mineral exploration and preproduction development.  Exemptions for fuel oil used for domestic purposes or by vessels (except pleasure boats, tugs, dredges and scows), manufacturing plants, commercial buildings, and institutions.	fuel, fuel used in off- shore fishing fleets, and marked gasoline.  Marked gasoline may be purchased by the fed- eral government, farm- ers, commercial fish- ermen, and owners and operators of stationary engines or certain sport establishments.	gasoline.  Marked gasoline may be used in vehicles of the federal, provincial and municipal governments and in vehicles designed for fire-fighting, road building or off-	stationary engines, in the operation of motor boats and snowmobiles, in tractors other than truck tractors other than truck tractors when such vehicles are not used on public highways or in the construction of roads and bridges. Exemption for fuel used, by municipal governments	lowed on gasoline in the operation ( tractors and f boats. Refunds of the tax are a on gasoline us stationary e (except gasoline by farmers and men), pumps to forest fires, production machi				

TABLE 5. Miscellaneous Provincial Taxes

TABLE 5. Miscellaneous Provincial Taxes									
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No		
P. Retail Sales Tax; R.S.O. 1970, c. 415 and amendments.	-	_	See: Race track tax section on page 38.	-	-	-	1		
mission price	_	_	-	_	_	_	1.9		
m: 6¢ to 84¢ 6¢	-	arm.	-	_	_		1 2		
5¢ to 90¢ 7¢ 1¢ & 92¢ 8¢ 3¢ & over 10%									
mptions: Tickets osting 75¢ or less; aligious, charita- le or educational inctions (by way of fund).	-	-	-	_	_	!  - 	4		
Gasoline Tax Act; .S.O. 1970, c. 190 nd amendments. Motor Vehicle uel Tax Act; .S.O. 1970, c. 282 nd amendments.	The Gasoline Tax Act; R.S.M. 1970, c. G40 and amendments. The Motive Fuel Tax Act; R.S.M. 1970, c. M220 and amend- ments.	The Fuel Petro- leum Products Act; R.S.S. 1965, c. 67 and amendments.	The Fuel Oil Tax Act; R.S.A. 1970, c. 153 and amend- ments.	Gasoline Tax Act, 1948; R.S.B.C. 1960, c. 162 and amendments. Coloured Gasoline Tax Act; R.S.B.C. 1960, c. 63 and amendments. Motive Fuel Use Tax Act; R.S.B.C. 1960, c. 251 and amendments. Fuel Oil Tax Act; R.S.B.C. 1960, c. 158 and amendments.	Fuel Oil Tax Ordin- ance; 1968 (4th ses- sion), c. 2 and amend- ments.	Petroleum Products Tax Ordinance; R.O. 1956, c. 40 and amendments.	5		
gallon	Per gallon	Per gallon	Per gallon	Per gallon	Per gallon	Per gallon	6		
ioline — 19¢ N×el fuel — 25¢ vation fuel — 3¢	Gasoline -15¢ Diesel fuel -18¢ Aviation fuel - 2¢ Special rates: Bunker -1/3¢ Propane - 1¢ if used for commercial heating, and 15¢ if used for carbura- tion Coloured gasoline - 1¢	Diesel fuel - 16¢	Diesel fuel −12¢ Aviation fuel − 3¢	eum gas (butane and	Diesel fuel -16¢	Gasoline — 14¢ Diesel fuel — 15¢ Fuel oil — 3¢ Aviation fuel — 2½¢ Propane and butane — 2¼¢	7		
tax refund is lowed on gasoline sed exclusively in ming or commeral fishing.  Xrelief of 13¢ per illon is allowed reasoline used in f-highway vehics other than con-working" morboats and snow-biles. Gasoline ed in "working" boats and snow-biles for the lief.  Xrelief of 17¢ per Illon is allowed diesel fuel oil at is not used in motor vehicle or at is used in a tor vehicle which not used on high-tys or in the conruction or main-nance of high-	Exemptions for coloured gasoline used in farm trucks, agricultural machinery, municipal firefighting equipment and in trapping, fishing and prospecting operations.  Exemptions for dieselfuel used in agricultural machinery, municipal firefighting equipment, lighting plants, hospitals and for domestic purposes. Partial or full refund in other circumstances set out in the Act.	fuel used for cooking, lighting and heating or not designed and manufactured for use in, and not in fact used in, an internal combustion engine.  Exemptions from tax at 16¢ and 12¢ (but not from tax at 4¢) for coloured gasoline used for generating aborting alactric	Exemption for fuel used by the federal government and foreign diplomats.  Relief of 3¢ per gallon for gasoline and diesel fuel used as raw material by the petroleum industry, in household appliances, for lighting and heating, or for spraying on road surfaces.  Relief of 5¢ from gasoline tax and 14¢ from diesel fuel tax for fuel used in farming operations, for industrial purposes, in transit buses, in railway locomotives, or designated as unfit for use in motor vehicles.	Coloured gasoline may be used only in ships, boats and other water vehicles, in stationary and portable engines and tractors for off-highway use, in logging trucks, in railway rolling stock and trackriding motor vehicles, for nonmotive industrial use and in farming or commercial fishing operations.  Motive fuels used off-highway by family farmers and fishermen and fuels used in the family farm truck on the highway are exempted from gasoline taxes.  A refund of 12¢ per gallon of non-coloured gasoline and 14¢ per gallon of dieself fuel is granted for off-highway ore or logging trucks, for stationary motor vehicle power units used in industry for certain industrial and commercial vehicles used off-highway in oil and gas operations, and for the motor vehicles of amputees, paraplegics and certain classes of war veterans.	No tax is payable in respect of fuel oil that is used or is to be used in stationary units for the generation of electrical power, in the operation of farm tractors for farming purposes, for Jubricating purposes, for laying or sprinkling on roads or streets, or for use as cleaning fluids or solvents.	in respect of fuel used or to be used by hospitals, mu-	8		

TABLE 5. Miscellaneous Provincial Taxes - Continued

	TABLE 5. Miscellaneous Provincial Taxes - Continued								
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec			
1	Motor vehicle registrations and driving permits Statutory authority	The Highway Traffic Act; R.S.N. 1970, c. 152 and amendments.	The Highway Traffic Act; S.P.E.I. 1964, c. 14 and amendments.	Motor Vehicle Act; R.S. N.S. 1967, c. 191 amendments and regu- lations.	The Motor Vehicle Act; R.S.N.B. 1955, c. 13 and amendments.	Highway Code; R.S. 1964 c. 231 and amer ments.			
2	Basis	(a) Weight of the vehicle	(a) Weight of the vehicle	(a) Per 100 lb. vehicle weight	(a) Per pound of weight of motor vehicle	(a) Per pound of vehice weight			
		(b) Operator	(b) Operator (c) Chauffeur	(b) Operator (c) Chauffeur	(b) Operator (c) Chauffeur	(b) Operator (c) Chauffeur			
3	Rate	(a) 1. Passenger vehicles:     up to 2,000 lb. —     \$18.00     2,001 to 3,000 lb. —\$20.00     3,001 to 4,000 lb. —\$22.00     4,001 lb. and over —\$24.00	(a) 1. Passenger vehicles: Not more than 2,049 lb. \$-\$20.00 Over 2,049 lb. up to and including \$1.00 per 4.949 lb.\$-100 lb. 4,950 lb. and over \$-\$50.00	(a) 1. Passenger vehicles: \$1.00 per 100 lb. of vehicle weight. Minimum licence fee is \$15.00.	(a) 1. Passenger vehicles:  1¢ per pound of weight of motor vehicle; minimum fee of \$20.00 per vehicle plus a fee of \$4.00 for licence plates.	(a) 1. Passenger very cles: 1¢ per pound(m nimum \$20.0 plus a fee of \$1. for licence plate			
		2. Commercial vehicles: from \$22.00 (up to 4,000 lb.) to \$1,040.00(69,001- 70,000 lb.)	2. Commercial vehicles; from \$14.00 (up to 3,000 lb.) to \$916.00 (80,000 lb.)	2. Commercial vehicles: from \$29.00 (up to 4,000 lb.) to \$634.00 (49,001-50,000 lb.)	2. Commercial vehicles: from \$19.00 (up to 4,500 lb.) to \$1,435.00 (124,501 - 125,000 lb.)	2. Commercial vehicles: \$50.00 up 15,000 lb. ai \$100.00 abov 15,000 lb.			
		(b) Operator's licence — \$9.00	(b) Operator's licence — \$4.00	(b) Operator's licence — \$4.00	(b) Operator's licence — \$4.00 plus a \$6.00 unsatisfied judge- ment fee.	\$6.00			
			(c) Chauffeur's licence - \$7.00	(c) Chauffeur's licence— \$7.00 (1 year)	(c) Chauffeurs licence— \$4.00 plus a \$6.00 unsatisfied judge- ment fee.	(c) Chauffeur's licence \$6.00			
4	Comments	(a) Reduced rates apply later in the year.	(a) Reduced rates apply later in the year.	(a) Vehicle registration expires March 31.	(a) Reduced rates apply later in the year which expires Dec. 31.	Operator's and chaufeur's licences has a two-year term.			
		(b) Operator's licence has a three-year term. Expiry date is on licensee's birthday.	(b) Operator's and chauffeur's licences have a one year term. Expiry date is on the last day of licensee's month of birth.		(b) Operator's and chauffeur's licences have a two-year term.				

TABLE 5. Miscellaneous Provincial Taxes - Continued

TABLE 5. Miscellaneous Provincial Taxes - Continued										
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.			
ne Highway Traffic Act; R.S.O. 1970, c. 202 and amend- ments.	The Highway Traffic Act; R.S.M. 1970, c. H60 and amend- ments.	The Vehicles Act; R.S.S. 1965, c. 377 and amend- ments.	The Highway Traffic Act; R.S.A. 1970, c. 169 and amend- ments.	Motor-vehicle Act; R.S.B.C. 1960, c, 253 and amend- ments.	Motor Vehicle Ordin- nance; R.O.Y.T. 1958, c. 77 and amendments.	1967 (2nd, Sess.).	1			
Number of cylinders for passenger vehicles; weight for commercial vehicles	(a) Length of wheel base for passenger vehicles; weight of commercial vehicles	(a) Length of wheel base; weight of commercial ve- hicles	(a) Length of wheel baseforpassen- ger vehicles; weight of com- mercial vehi- cles	(a) Gross weight of vehicle	(a) Length of wheel base	(a) Flatrate for passenger vehicles; weight of commercial vehicles	2			
Operator	(b) Driver	(b) Operator	(b) Operator	(b) Operator	(b) Operator	(b) Operator				
Chauffeur	(c) Chauffeur	(c) Chauffeur				(c) Chauffeur				
hicles: 4 cylinders or less \$23.00 6 cylinders - \$32.00 8 cylinders - \$40.00	(a) 1. Passenger vehicles: \$12 for wheel base not exceeding 100" in length; for each additional 5 inches or portion thereof from \$2.00 to \$4.00. Additional charge of 50¢ on all registrations for the Unsatisfied Judgement Fund.	(a) 1. Passenger vehicles: \$16 for wheel base not exceeding 110" \$22 for wheel base of 111" to 120" \$28 for wheel base exceeding 120"	(a) 1. Passenger vehicles: \$15 for wheel base not exceeding 110" \$20 for wheel base between 111" and 120" \$25 for wheel base of over 120" Whereno wheel base is established: \$20.00	(a) 1. Passenger vehicles: 500 lb, or less— \$5,00 501 lb, to 1,500 lb.— \$10,00 1,501 lb. to 2,000-\$14,00 2,001 lb. to 3,000-\$18.00 3,001 lb. to 4,000-\$22,00 4,001 lb. to 5,000-\$31,00 5,001 lb. to 6,000-\$45.00 6,001 lb. to 7,000-\$58,00 Plus first registration fee	(a) \$15 for wheel base 100" or less; \$20 for wheel base 101" to 120"; \$25 for wheel base 121" and over.		3			
2. Commercial vehicles: from \$33 (up to 5,000 lb.) to \$2,021 (138,001 to 140,000 lb.)	2. Commercial vehicles: from \$16 (up to 6,000 lb.) to \$441 (73,001 - 74,000 lb.)	2. Commercial vehicles: from \$17 (up to 2,500 lb.) to \$1,662 (72,001 - 74,000 lb.)	2. Commercial vehicles: from \$30 (up to 3,000 lb.) to \$490 (40,000 - 41,000 lb.)	2. Commercial vehicles: from \$16 (up to 3,000 lb.) to \$830 (72,001 - 74,000 lb.)		2. Commercial vehicles; Operated on MacKenzie Highway \$6.50 per 1,000 lb. gross weight. Operated elsewhere in the Territories - \$1.00 per 1,000 lb. gross weight.				
Operator's li- cence - \$9.00	(b) Operator's licence - \$5.00	(b) Operator's licence - \$2.00	(b) Operator's licence - \$10.00	(b) Operator's licence - \$5.00	(b) Operator's licence — \$3.00	(b) Operator's licence - \$2.00				
Chauffeur's li-	(c) Chauffeur's licence — \$7.50	(c) Chauffeur's licence - \$3.00				(c) Chauffeur's li- cence — \$3.00				
cences have a three-year term.	(a) Reduced rates apply later in the year which expires February 28. (b) Operator's and chauffeur's licences issued for two years on birth date.	feur's licences have a one year term. Expiry date is April 30. See "Miscellaneous	40% after September 1 and 75% after January 1.	(a) Rates are reduced one-twelfth each month to a minimum fee of \$2.00.  (b) Operator's licence has a five-year term.	apply later in the year.	(a) Rates are reduced to 40% after October 31.  (b) Both operator's and chauffeur's licences have one year terms.	4			

TABLE 5. Miscellaneous Provincial Taxes - Continued

	TABLE 5. Miscellaneous Provincial Taxes - Continued								
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec			
1	Insurance premium taxes  (a) On insurance companies: Statutory authority.	The Insurance Compa- nies Tax Act; R.S.N. 1970, c. 76 and amendments.	The Premium Tax Act; S.P.E.I. 1957, c. 27 and amendments.	Insurance Premiums Tax Act; R.S.N.S. 1967, c. 149.	Premium Tax Act; R.S.N.B. 1957, c. 14.	Corporation Tax Act; R.S.Q. 1964, c. 67 and amendments.			
2	Basis	Gross Premiums	Gross Premiums	Gross Premiums	Gross Premiums	Premium Income			
3	Rate	2%	2%	2%	2%	2%			
4	Comments	Exemption for premiums on marine insurance and annuity contracts.	Exemption for annuity contracts,	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Applicable on all insur- ance premiums, in- cluding fire insurance.			
5	(b) Fire insurance; Statutory authority.	The Insurance Premiums Tax Act; R.S.N. 1970, c. 179.	The Fire Prevention Act; S.P.E.I. 1951, c. 59 and amendments.	Fire Prevention Act; R.S.N.S. 1967, c. 107 and amendments.	Fire Prevention Act; R.S.N.B. 1952, c. 86 and amendments.				
6	Basis	Premiums charged	Gross premiums	Premium income	Premium income	-			
7	Rate	7%	3/4 of 1%	1/2 of 1%	1%	-			
8	Comments	This tax is paid by the policy holder. It is levied on all insurance premiums other than life, accident, sickness, and marine premiums.	_	Rates as determined by the Lieutenant-Gover- nor in Council.	-	-			

TABLE 5. Miscellaneous Provincial Taxes - Continued

TABLE 5. Miscellaneous Provincial Taxes - Continued									
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No		
							140		
The Corporations Tax Act; R.S.O. 1970, c. 91 and amendments.	The Insurance Corporations Tax Act; R.S.M. 1970, c.150 and amendments.	miums Tax Act; R.S.S. 1965, c. 63	The Insurance Corporations Tax Act; R.S.A. 1970, c. 188 and amendments.	(a) Insurance Premiums Tax Act; R.S.B.C. 1960, c. 198 and amendments.			1		
The Insurance Act; R.S.O. 1970, c.224 and amendments.				(b) Insurance Act; R.S.B.C. 1960, c. 197 and amendments.			:		
Gross premiums or deposits	Premium Income	Gross Premiums	Gross Premiums	(a) Gross Premiums	-		2		
Gross premiums or reciprocal or inter-insurance exchanges.				(b) Premiums paid to unlicenced in- surer or recip- rocal exchange.					
gen	2%	2%	2%	(a) 2%	_		3		
				(b) 5%			Ž.		
2% on insurance overing property re, inland transort, livestock, late glass, sprinler leakage, theft and weather.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts. *See "Miscellaneous taxes" for motor vehicle insurance, page 43.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	-		4		
	-	The Fire Prevention Act; R.S.S. 1965, c. 365 and amend- ment.	The Fire Prevention Act; R.S.A. 1970, c. 144 and amend- ments.	Fire Marshal Act; R.S.B.C. 1960, c. 148 and amend- ment.	Fire Prevention Or- dinance; O.Y.T. 1962 (5th Ses- sion), c. 3 and amendments.		5		
-	-	Premium income	Premium income	Premium income	Premium income		6		
-	-	1%	1/3 of 1%	1%	1%		7		
-	-	-		Rate determined by Lieutenant Gover- nor in Council. Tax on fire and automo- bile insurance. Persons insured by unlicensed compa- nies pay the tax directly.	-		8		

TABLE 5 Miscellaneous Provincial Taxes - Continued

	TABLE 5. Miscellaneous Provincial Taxes - Continued									
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec				
1	Mining taxes Statutory authority	(a) The Mining Tax Act; R.S.N. 1970, c. 238 and amendments. (b) The Mineral Lands Taxation Act; R.S.N. 1964, c. 56.		(a) Gypsum Mining Income Tax Act; R.S.N.S.1967, c. 122. (b) Mines Act; R.S.N.S. 1967, c. 185.	Mining Income Tax Act; R.S.N.B. 1954, c. 10 and amendments.	Mining Duties Ac. R.S.Q. 1965, c. 35.				
2	Basis	(a) Netincome from mining operations.		(a) Net income from gyp- sum mining or ton of gypsum mined.	Netincome from mining operations.	Net profit of mining comporations.				
		(b) Assessed value of minerals.		(b) Ton of coal; value of other minerals.						
3	Rate	(a) Iron mines — 20%,		(a) 22 1/200 of not in	8% on net income up to	9% on net profit				
3	Rate	(a) from mines — 20%, not to exceed 10¢ a ton on the first 1,500,000 tons and 8¢ on each additional ton.  Other mines — 5%.		(a) 33 1/3% of net income in excess of \$5,000; or 6¢ per ton where mining operations are calculated at a fixed rate of 18¢ per ton.	8% on net income up to \$750,000;11% on the next\$2,250,000 of net income; 12% on net income in excess of \$3,000,000.  Royalty on coal is 14¢ per short ton of two thousand pounds.	9% on net bloth (50,000,00) 11% on net profit \$1,000,001 t \$2,000,000;13% on net profit of \$2,000,000; 15% c net profit over \$4,000,000; 15% c net profit \$4,000,000.				

TABLE 5. Miscellaneous Provincial Taxes - Continued

		E 5. Miscernaneous	Trovincial Taxes	- Continued			
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
The Mining Tax Act; R.S.O. 1970, c. 275 and amendments.	(a) The Mining Royalty and Tax Act; R.S.M. 1970, c. M180 and amend- ments.	(a) The Mineral Tax- ation Act; R.S.S. 1965, c. 64 and amendments.	neral Taxation	(a) Mineral Land Tax Act, R.B.C. c. 53, 1973.	Yukon Placer Mining Act; R.S.C. 1952 c. 300.	Regulations;	
	(b) The Mineral Acreage Tax Act; R.S.M. 1972, c. M135.	(b) The Mineral Resources Act; R.S.S. 1965,c. 50 and amendments	nerals Act, R.S.A. c. 52 and amend-	Act, 1974.			1
	(c) The Mineral Taxation Act; and amendments R.S.M. 1970, c. M150.	(c) The Oil and Gas Conserva- tion, Stabiliza- tion and Deve- lopment Act; E.S.S. 1973, c. 42 and amend-	ments, 1970. (c) Oil and Gas Conservation Act, R.S.A. c. 267, 1970.	(c) Petroleum and Natural Gas Act, and amendments, 1974.			1
		ments. (d) The Road Allowance Crown Oil Act; R.S.S. 1965, c. 53.		(d) Coal Act, 1974.			
et profit	(a) Net profit of mining corporations.	(a) 1. Flat rate per acre for free-hold minerals owned by cortions.  2. Assessed value of oil, potash and coal for preceding year.  3. Value of potash ore reserves,	(a) Assessed value of principal minerals in freehold lands.	(a) 1. Tracts outside designated producing areas. 2. Highly mineralized area with no operating mine; 3. Active production tracts.	Value of gold shipped from Yukon.	Annual value of output.	2
	(b) Every owner of minerals rights on freehold land of 40 acres or more except bona fide farmers who are exempt.	mine, plant.  (b) 1. Product ton of potash.  2. (i) Oil produced from Crown lands.  (ii) Operator share of oil and road allowance oil produced	(b) Value of production on Crown lands.	(b) Units of designated mineral sold, disposal of, or used by a producer.			
		from from lands. 3. (i) Net profit of mining companies (metallic minerals and uranium). (ii) Ton of coal.					
	(c) Assessed value of minerals in, on, or under freehold land in a designated production area.	(c) Operator share of oil and road al- lowance oil pro- duced from free- hold rights.	(c) Oil and gas pro- perty indesig- nated areas.	(c) 1. Crude petro- leum. 2. Natural gas by-products. 3. Natural gas.			
		(d) All oil produced.		(d) 1. Metallurgical coal. 2. Thermal coal.			
% on net profit of \$100,001 to \$1,000,000; 20% on net profit of \$1,000,001 to \$10,000,001 to \$10,000,000; 25% on net profit of \$10,000,001 to \$20,000,000; 30% on net profit of \$20,000,001 to \$30,000,000; 35% on net profit of \$30,000,001 to \$40,000,000; 40% on net profit of \$40,000,000; 40% on net profit over \$40,000,001.	(a) 6% if income is under \$50,000; 23% on entire income if income exceeds \$50,000 (or a lesser amount as determined by the Lieutenant-Governor-in-Council).	(a) 1. (i) 50¢ (minimum tax \$1.00). (ii) Additional tax of 50¢ per acre or fraction thereof on all lands of 500,000 or more acres.  2. Producing tract tax of 8 mills times twice the assessed value.  3. Rate not yet determined.	(a) Rates vary with respect to different classes of mineral rights, mineral rights with respect to different minerals and mineral rights in different areas.	(a) 1. 49,999 acres or less, 25¢ per acre. 50,000 — 99,999 acres, 40¢ per acre. 100,000 — 249,999 acres, 55¢ per acre. 250,000 — 499,999 acres, 70¢ per acre, 500,000 — 999,999 acres, 85¢ per acre. 1,000,000 acres and over \$1.00 per acre. 2. \$2.00 per acre. 2. \$2.00 per acre. 3. Assessed value per acre as determined under regu-	2 1/2%	\$10,001 - \$1,000,000: 3%1,000,001- 5,000,000: 5% 5,000,001 - 10,000,000: 6%10,000,001 and over: an additional 1% for each addi- tional \$5,000,000, not to exceed 12%.	3

TABLE 5. Miscellaneous Provincial Taxes - Continued

				laneous Provincial 1			
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
	Mining taxes— Concluded  Rate	(b) Not exceeding 10 mills.		(b) Coal — 12½¢ per long ton. Gold and silver — when concentrates are smelted outside the province: 2% of smelter returns; when bullions are produced in the province: 1%. Iron, copper, lead, zinc — ore with two or more concentrate: 2%. Other metals — as determined by the Lieutenant-Governor in-Council.	. <u>-</u>	_	_
2	Comments	No tax payable when gross income is less than \$5,000.		_		Net profitup to \$50,000 is exempt.	Net profit up to \$100,000 is exempt.
3	Race track taxes Statutory authority	The Horse Racing (Regulations and Tax) Act; R.S.N. 1963, c. 155 and amendments.	The Entertainment Act; 1971, S.P.E.I. c. 13 and amendments.	Theatres and Amusements Act, R.S.N.S. 1967, c. 304 and regulations.	Theatres, Cinematographs, and Amusements Act; R.S.N.B. 1952, c. 228 and amendments.	Licences Act; R.S.Q. 1964, c. 79 and a- mendments.	The Race Tracks Tax Act; R.S.O. 1970, c. 397 and amendments.
4	Basis	Amount of bets placed under the pari mutuel system.	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool	(a) Pari mutuel betting pool (b) Amount gained from a winning ticket.
5	Rate	11%	11½%	11%	11% of wagers	7% of ticket evidencing the choice of a single winning horse; 9% on other tickets.	
6	Comments	The track operators are paid a remuneration of 3% of the tax collected and remitted.		If tax is remitted within 7 days, the Race Association may deduct a commission of 7% and 8% depending on certain variables in amounts wagered and dates.	7 days, the Race Association may deduct from 6½% to 8% of the amounts wagered as commission.	In addition to the duty on wagers, there is a duty on the entrance fee at the rate of 10% at races with "pari mutuel" betting, and 5¢ per person at other races.	

TABLE 5. Miscellaneous Provincial Taxes - Continued

Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories	No.
(b) 10¢ per acre or fraction thereof.	(b) 1. Pro-rationing fee of \$1.20 per ton.  2. (i) Regular crude oil royalty of up to 25% based on volume of production and valued at the well-head price.  (ii) Royalty surcharge equal to the difference between the "basic" well-head price and the well-head prices.  3. (i) From 5% to 12.5%.  (ii) \$5 per ton.	(b) 1. Crude oil:  8.8% to 44.2% on monthly production for developed wells; 6.1% to 30.6% on monthly production for new wells.  2. Synthetic oil: 8.0% of monthly production to 900,000 barrels; 20.0% in excess of 900,000 barrels.  3. Natural gas: varies from 22.0% of natural gas when field price is 26¢ or less per Mcf to 65.0% of the price increment over 72¢ for developed natural gas, for new naturalgas, varies from 22.0% at 26¢ or less per Mcf to 35.0% of the price increment over 36c. These royalty rates also apply to propanes and butanes  4. Sulphur: 16 2/3 of the value of marketable production. 5. Pentanes plus: in accordance with the formula specified in the regulations.	in excess of 120% of basic value determined under regulations; if net smelter returns range between 90% and 80% of the basic value, the basic rate is 2.0%. Where smelter returns are less than 80.0% of the basic value the basic rate is 1.5%.			1
c) 1. 8 mills of the assessed value of each well.  2. The monthly incremental tax is calculated as follows: value of well production for month x 1.5 equals the assessed value x mill rate equals tax. The monthly incremental tax is in addition to the basic 8 mill tax which is applied to the same assessed value but on a yearly basis. Monthly mill rate schedules are different for new and developed wells.	ference between the "basic" well-head price and the well-head price.		<ul> <li>(c) Rates of royalty vary with mineral production. No royalty is payable on production contracted to B.C. Petroleum Corporation.</li> <li>(d) 1. \$1.00 per ton.</li> <li>2. 50¢ per ton.</li> </ul>			1
	an owner who is an individual.  2. Reduced royalty surcharge on the production of "new oil".	(a) At the time of publication, assessment for oil and natural gas was not yet specified. In 1973, the rate for oil was 16 mills.  (b) 3.4.5. These royalty rates are applied to the value of production after the processing costs of the Crown's share of natural gas has been deducted.	(b) A reduction by 1.0% is available for provincial refinement other than milling.	Rates established by Order-in-Council.	Exemption for the first \$10,000 of output.	2
The Pari Mutuel Tax Act, 1974.	The Horse Racing Regulations Act; S.S. 1965, c. 384 and amendments.	The Amusements Act; R.S.A. 1970, c. 18 and amendments.	Pari Mutuel Betting Tax Act; R.S.B.C. 1960, c. 274.		-	3
fari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool	Pari mutuel betting pool	_ 1  - 	- 1	4
. 10%	10%	5%	8%		_	5
4% of the rate is kept as commission by the track operators.	<del></del>	_	1% of this rate is earmarked to increase the purses of B.C. bred, born and raised horses.	-	-	6

TABLE 5. Miscellaneous Provincial Taxes - Continued

		TABLE S	5. Miscellaneous Prov	incial Taxes - Contin	nuea	
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
1	Tobacco taxes Statutory authority	The Tobacco Tax Act; R.S.N. 1970, c. 374 and amendments.	The Health Tax Act; S.P.E.I. 1951, c. 71 and amendments.	Health Services Tax Act; R.S.N.S. 1967, c. 126 and amendments.	Tobacco Tax Act; R.S.N.B. 1952, c. 231 and amendments.	Tobacco Tax Act; R.S.Q. 1964, c. 72 and amend- ments.
2	Basis	By cigarette; by retail price of cigars; other tobacco products by weight.	By cigarette; by retail price of cigars and other tobacco prod- ucts.	By cigarette; by retail price of cigars and other tobacco prod- ucts.	By cigarette; by retail price of cigars; by weight for other to- bacco products.	By cigarette; by retail price of cigars and other manufactured tobacco.
3	Rate	Cigarettes — 1¢ each  Cigars from: 1¢ to 4¢ — 2¢ each 5¢ " 7¢ — 3¢ " 8¢ " 15¢ — 4¢ " 16¢ " 25¢ — 8¢ " 26¢ " 35¢ — 12¢ " 36¢ " 45¢ — 16¢ " 46¢ up — 20¢ " Other tobacco products 4¢ per 1/2 oz. unit or part thereof.	Cigarettes $-2/5$ of $1\phi$ each  Cigars from: $1\phi$ to $9\phi-1\phi$ each $10\phi$ '' $15\phi-2\phi$ '' $16\phi$ '' $21\phi-3\phi$ '' $12\phi$ '' $27\phi-4\phi$ '' $16\phi$ '' $21\phi-3\phi$ '' $16\phi$	Cigarettes - 4/10 of 1¢ each  Cigars and other tobacco products - 10%.	Cigarettes -2/5 of 1¢ each Cigars -1¢ for each 5¢ or part thereof Other tobacco products -4¢ per ounce or part thereof.	Cigarettes -2/5 of 1¢ each Cigars from: 5¢ to 10¢ -1¢ each 10¢ up -20% Manufactured tobacco - 20% of retail price.
4	Comments	There are certain exemptions on tobacco purchases by bona fide tourists and for other categories such as ships stores. There is no tax on a plug of tobacco.	_	Tax levied under the same statutory au- thority as the general sales tax.	_	No tax is levied on raw leaf tobacco or on cigars sold at 5¢ each, or less
5	medical care premiums and payroll taxes  Statutory authority	_	-	-	_	Health Insurance Act; R.S.Q. 1970, c. 37 and amendments
6	Basis	-	-		-	Gross salaries paid to employees who report for work in an establishment in Quebec. 8/10 of 1%
8	Comments	_		-	-	The proceeds of this levy are earmarked for medical care. Individuals also pay a special medical care income tax. See Table 2 under Quebec.
	:					

TABLE 5. Miscellaneous Provincial Taxes - Continued

TABLE 5. Miscellaneous Provincial Taxes - Continued									
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No		
e Tobacco Tax Act; R.S.O. 1970, c. 463 and amendments.	R.S.M. 1970, c. T 80 and amendments.	R.S.S. 1965, c. 68 and amendments.	The Tobacco Tax Act; R.S.A. 1970, c. 364 and amendments.	The Cigarette and Tobacco Tax Act; R.S.B.C. 1971, c. 7.	_	Tobacco Tax Ordinance; 1974 (1st Session) c. 12.	1		
cigarette; by retail price of cigars; by weight for other to- acco products.	By cigarette; by retail price of cigars; by weight for other manufactured tobacco.	By cigarette; by retail price of cigars and by weight for other tobacco products.	By cigarette; by retail price of cigars and by weightfor tobacco (including plugs and snuff).	By cigarette; by retail price of cigars; by weight for other tobacco products.	_	By cigarette and retail price of cigars.			
garettes $-0.46$ of 1¢ ach ars from:  to $7 & -1 & \text{cach}$ '' $10 & -2 & \text{''}$ up $-1 & \text{additional}$ x for each additional $& \text{core}$ of retail price  er tobacco prod- cts $-2 \frac{1}{2} + \frac{1}{2} + \frac{1}{2} + \frac{1}{2}$ unce (or part theref).	Cigarettes - 3/5 of 1¢ each Cigars: 4¢ or less - 1¢ each 5¢ to 8¢ - 2¢ " 9¢ " 12¢ - 3¢ " 13¢ " 16¢ - 4¢ " 17¢ " 20¢ - 5¢ " 29¢ " 36¢ - 9¢ " 37¢ " 43¢ - 11¢ " 44¢ " 52¢ - 13¢ " 53¢ up - 15¢ "	Cigarettes—9/25 of 1¢ each Cigars: 10¢ or less — 1¢ each 11¢ to 20¢ — 2¢ " Over 21¢ — 4¢ " Other tobacco — 2¢ per 1/2 oz. or fraction thereof.	Cigarettes -8/25 of 1¢ each Cigars: 7¢ or less -1¢ each 8¢ to 15¢ -2¢ " 16¢ " 22¢ -3¢ " 23¢ " 32¢ -5¢ " 33¢ " 42¢ -7¢ " over 43¢ -9¢ " Tobacco -2¢ per 1/2 oz. or fraction thereof.	Cigarettes — 8/25 of 1¢ each Cigars: 7¢ or less — 1¢ each 8¢ to 15¢ — 2¢ " 16¢" 22¢ — 3¢ " 23¢" 32¢ — 5¢ " 33¢" 42¢ — 7¢ " over 43¢ — 9¢ " Other to bacco products — 2¢ per 1/2 oz. or part there-	_	Cigarettes 8/25 of 1¢ each. Cigars: 7¢orless – 1¢ each 8¢ to 15¢ – 2¢ " 16¢ " 22¢ – 3¢ " 23¢ " 32¢ – 5¢ " 33¢ " 42¢ – 7¢ " Over 42¢ – 9¢ "	3		
_	Other tobacco products -3¢ per 1/2 ounce unit.	-	_	of.	_	_	4		
Health Insurance ct; R.S.O. 1972, c.		-	The Health Insurance Premiums Act; R.S.A. 1969, c. 45 and amendments.	Medical Services Act; R.S.B.C. 1967, c. 24.	Health Care Insurance Plan Ordinance; 1971 (1st), c. 15.	-	5		
thly premiums	_	-	Annual premiums	Monthly premiums	Monthly pre- miums	-	6		
de	-		Single\$69.00 Family\$138.00 A \$5.00 non-insurable registration fee is levied.	Single \$ 5.00 Family of two \$10.00 Family of three or more \$12.50	Single\$ 6.50 Family of two\$12.50 Family of three or more \$14.50		7		
niums are waived welfare recipients ad persons 65 years age and over.	-	_	Persons 65 years of age and over and persons with no taxable in- come do not have to pay premiums.	The hospital insurance program is financed from general tax revenue.	The Territory subsidizes 100% of the premiums of persons with	-	8		
province subsizes 100% of the pre- tium of persons with ) taxable income and )% of the premiums single persons with xable income of ss than \$1,000 and milies with taxable come of less than .000. )italization and edical care pre- ums are combined.			Hospitalization and medical care contributions are combined.	The province subsidizes 90% of the premiums of persons with no taxable income in the previous year and 50% of the premiums of persons with taxable income not in excess of \$1,000 in the previous year.	no taxable income and 50% of the premiums of single persons with taxable income of less than \$500, of families of two with taxable income of less than \$1,000 and of families of three or more with taxable income less				

TABLE 5. Miscellaneous Provincial Taxes - Concluded

		TABLE 5. MISC	ellaneous Provincial Taxes	Contrago	
No.		Newfoundland	Prince Edward Island	Nova Scotia	Quebec
	Other taxes				
1	Name of tax	-	-	Tax on long-distance telephone calls	Telecommunications
2	Statutory authority	-	-	Corporations Tax Act; R.S.N.S. 1967, c. 61.	Telecommunications Tax Act; 1965, c. 28.
3	Basis	-	-	Toll charge	Price of telecommunication
	Poto			5¢ for each 50¢ toll charge or	8%
4	Rate	_		part thereof.	· ,
				T. V. 1. 054	A
5	Comments	_	~	Tolls under 25¢ are exempt.	Applicable to long distance tele- phone calls, telegrams and other telecommunications.
6	Name of tax	-	Tax on alcoholic beverages	-	Meals and lodging tax
7	Statutory authority	-	The Health Tax Act; S.P.E.I. 1951, c.71 and amendments.	-	Meals and Hotels Tax Act; R.S.Q. 1964, c.73 and amendments.
8	Basis		Retail price	_	On meals priced \$1.50 and over, on alcoholic beverages, on any
					aerated water to which essence or syrup has been added, and on price of lodging.
9	Rate	-	10%	-	8%
10	Comments	_	Retail sales are made through provincial government liquor	_	The tax is not payable by persons employed in an establishment
			stores.		on the price of lodging and meals (not including alcoholic beverages and aerated water)
					supplied to them by the person who keeps the establishment.
					Beer served in a tavern is not taxable
11			-	-	Logging tax
12	Statutory authority	_	-	_	Logging Tax Act; R.S.Q. 1964, c.68 and amendments.
13	Basis	_	_	_	Income (as defined).
14	Rate	and	_	-	10%
15	Comments	-	-	-	Full exemption is allowed where income is less than \$10,000; where income exceeds \$10,000.
					the tax is paid on the total income including the \$10,000.
					is provided under the proving cial Income Tax Act. Two-thirds may be deducted from the fede-
					ral income tax under the provisions of the federal Income Ta.  Act.
					2200,

TABLE 5. Miscellaneous Provincial Taxes - Concluded

	17	ABLE 5. MISCEITANEOU	s Provincial Taxes - C	Concluded		
Ontario	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
Professional boxing and wrestling events	_	-		Fur tax	Fur tax	1
The Athletics Control Act; R.S.O. 1960, c. 26.	-	_	_	Fur Export Ordinance; R.O.Y.T. 1958, c. 49 and amendments.	Fur Export Ordinance; 1967 (1st Session), c. 8.	7   2
Gross receipts of pro- fessional boxing and wrestling events.	_	_		Per pelt exported	Per pelt exported \$1.00.	3
2%	_			Various rates	-	4
-	-	-	-	Rates are established by regulations with a range from 1¢ to \$5.00 per pelt.	-	5
Land transfer tax	Motor vehicle insurance tax	Bus mileage tax	Hotel and motel room tax	Alcoholic beverages tax	_	6
The Land Transfer Tax Act; R.S.O. 1970, c.235 and amendments.	The Motor Vehicle Insurance Premiums Tax Act; 1967, c. 19.	The Public Service Vehicles Act; R.S.A. 1970, c.300 and amendments.	Hotel and Motel Room Tax Act; R.S.B.C. 1971, c. 26.	Government Liquor Ordin- ance; R.O.Y.T. 1970(1st session), c. 3.	-	7
Purchase price	Gross premiums receivable	By passenger mile	Purchase price of accommodation in hotels and motels	By the bottle, flask, or gallon		8
For Canadian residents: Up to \$35,000, 3/10 of 1% Over \$35,000, 3/5 of 1% For non-residents 20%	. 1%	1/15 of 1¢ per passenger mile on hard surface roads; 2/45 of 1¢ per passenger mile on gravel roads.	5%	10¢ on each dozen bottles of beer 10¢ on each half-bottle of table wine 20¢ on each bottle of table wine 20¢ on each half-bottle of fortified wine 45¢ on each flask of spirits 50¢ on each bottle of spirits 10¢ on each gallon of draft beer	_	9
_	-	-	- !	-	- ! !	10
Land speculation tax	-	-	Logging tax		-	11
The Land Speculation Tax, 1974 (Bill No. 25).	-		Logging Tax Act; R.S.B.C. 1960, c. 225 and amendments.			12
ncrease in the value of "designated land" (all real property in Ontario except Canadian resour-	-	-	Net income	-		13
ce property).		-	10% where net income exceeds \$10,000.	- Append		14
Principal residence, recreational property transfers to the Crown or municipalities, expropriations, land for industrial or commercial purposes (other than apartment buildings) and farming land upon which agriculture is continued are exempted.	-	_	Full exemption is allowed where net income is less than \$10,000, where net income exceeds \$10,000; the tax is paid on the total net income including the first \$10,000.  Tax credit of 20% of tax is provided under the provincial Income Tax Act. Two-thirds may be deducted from federal income tax under the provisions of the federal Income Tax Act.		-	15



# PART IV

REAL PROPERTY TAXES



# **GENERAL**

Real property taxation is largely a local government preserve in Canada. In recent years, however, certain provincial governments have assumed responsibilities that have traditionally been regarded as local in character and, simultaneously, have preempted a substantial proportion of the real property tax field. The federal government does not impose any real property tax.

# **Provincial Governments**

Provincial property taxes are levied by New Brunswick at the rate of 1 1/2% of "fair market value" on all land and buildings in the province; the same rate of tax is also imposed on business. The revenue from these levies is not earmarked for any specific purpose. However the entry of the province into this field of taxation coincided with the assumption by the province of responsibility for the provision of services in the areas of education, health, welfare and administration of justice which had been provided by local government.

Prince Edward Island has in operation a programme somewhat similar to that of New Brunswick. A tax of 1% is imposed on the "fair market value" of all real property in the province; a further 1% is assessed against the "fair market value" of business property. The implementation of this programme coincided with the assumption by the province, in July 1972, of responsibility for financing primary and secondary education: a

responsibility which had hitherto rested with local governments. (Health and welfare services in the various localities were already provided by the provincial government from other revenue sources.)

Certain other provinces also impose property taxes but these are not significant from a revenue standpoint. Nova Scotia levies a "land tax" of limited application. In unorganized (non-municipal) areas, the province of Ontario imposes a property tax of 1 1/2% of assessed value with a minimum annual tax of \$6.00 in respect of any land. British Columbia also imposes a property tax in unorganized (non-municipal) areas at varying rates ranging from 1/2 of 1% of the assessed value of farm land to 7% for (operating) coal land. The Yukon Territory levies a property tax on the "fair value" of all real property (non-municipal) at a rate determined each year.

# **Local Governments**

The principal revenue available to local governments from their own sources is that generated by the tax levied on real property situated within their boundaries. Generally speaking, municipalities set the rates and collect the proceeds of this levy themselves or do so on behalf of other local governments in their areas. Exceptions to this practice are found in (a) New Brunswick and Prince Edward Island, where the municipalities set rates but where imposition and collection are carried out by the provincial governments, and in (b) most of Quebec outside the Montreal area and the unorganized parts of Ontario where school boards levy their own real property taxes.

The real property tax rate is generally expressed in mills (rate per \$1,000 of the base) or as a rate per \$100 of the base. It is however very difficult to make valid comparisons of rates across Canada. Some of the principal factors affecting rate comparability are:

- (a) widely varying methods of assessment of real property value not only among the provinces but also, to a large extent, among local governments within a province;
- (b) different ways of determining the fair market value or real value of properties among assessment authorities;
- (c) various degrees of development of the municipal system from one province to another;

- (d) uneven delegation of responsibilities to local governments by the government of each province; and
- (e) different forms and magnitude of the financial assistance that municipalities receive from their respective provincial governments.

For these reasons specific rates are not reported in this publication.

# Tax Credits or Subsidies in Respect of Real Property Tax

Measures have been adopted by the provincial governments of Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia to alleviate the burden of real property taxation on various categories of ratepayers.

Nova Scotia's scheme to provide relief to property owner's and tenants was introduced in June 1974 and made retroactive to January 1. Under this scheme, property owners are entitled to a 25% reduction on real property taxation up to a maximum of \$200. The province reimburses the municipality for the loss of revenue. Relief is provided to tenants by way of direct grant; the grant being determined by such factors as total annual rent, building assessment, the occupancy tax, etc. The maximum grant that can be obtained is \$200.

New Brunswick's relief to property owners and renters was inaugurated January 1, 1974. Homeowners are now entitled to a property tax credit ranging from \$40 to \$75 depending upon the assessed value of their dwellings. Renters are entitled to a cash rebate of \$30.

In Ontario, relief is provided by means of an income tax credit which is claimed by the individual in the household who has the highest taxable income. Single individuals living in premises which they own or rent are also eligible for the credit. Entitlement to relief is established by means of a formula that takes account of real property tax paid (in the case of an owneroccupied dwelling) or rent (in the case of rented residential premises) and taxable income. To a basic \$180 (\$90 in 1973) is added either 10% of real property tax paid for the year or 2% of annual rent. From the amount thus established, 2% (1% in 1973) of the claimant's taxable income is subtracted; the difference, if positive, is the amount of the credit that can be claimed. The maximum amount of total credits was raised to \$500 from \$400. This amount is computed by taking into account the two other credits included in the personal tax credit scheme, namely sales tax and pensioner's tax credits. In other words, the property tax credit constitutes one part of the Ontario's personal tax credit scheme. In addition to the benefits available under this scheme, farmers are entitled, under the farm credit reduction plan, to a rebate equal to 50% of their municipal property tax bill.

In Quebec, only farmers are entitled to property tax relief. The provincial government reimburses farmers with an amount equal to 40% of their property tax for school purposes.

The relief provided by Manitoba takes the form of an income tax credit. Entitlement to relief is established by means of a formula that sets the credit of \$200 less 1% of taxable income subject to the provision that the amount of the credit cannot be less than \$100. The

formula applies in respect of owner-occupied dwellings and rented premises where the annual rent is \$1,000 or more. For rented premises where the annual rent is less than \$1,000 the credit is equal to either 20% of the rent paid or an amount equal to that established by means of the general formula, whichever is the lesser.

In Saskatchewan, real property tax relief is provided by means of a grant equal to 20 mills (18 mills in 1973) of assessed value up to a maximum assessed value of \$10,000 for a small business and \$15,000 for a farm. The maximum grant payable to the homeowners is the lesser of 1/2 the real property tax paid or \$160 (raised from \$144 in 1973).

In Alberta, the property tax grant was eliminated in 1973. Instead, the province abolished the provincial education tax on all residential property and farmlands. The benefit available to renters under the property tax reduction plan, however, remains in effect. The occupiers of rented residential accommodations under 65 years of age continue to receive an income tax credit established by adding to a basic \$100 an amount equal to 2% of annual rent and by subtracting from the total 1% of the claimant's taxable income. The maximum credit that can be claimed in respect of rented accommodations is \$100. Renters 65 years of age and over receive the maximum grant.

Every homeowner in British Columbia is entitled to a \$200 reduction in real property taxation. Homeowners 65 years of age and over are entitled to additional relief of \$50 bringing total property tax relief to \$250. Where real property taxation for the year is less than \$200 for a homeowner of less than 65 years of age or less than \$250 for a homeowner over 65 years of age, relief is provided by way of a grant equal to the amount of the real property tax less \$1. Individuals aged 65 or over who rent their accommodations receive a grant of \$80 (\$50 in 1973). Starting in 1974, renters under 65 years of age are entitled to a grant of \$30.

# PART V

HISTORICAL SUMMARIES
OF SELECTED TAXES

TABLE I. Historical Summary of the Personal Income Taxes levied by the Federal Government, 1964 to 1974 1967 RATES RATES Same as 1964 except for an increase from 4% (maximum \$120) to 4% (ma mum \$240) in the old age security tax rate. "Basic" personal income tax (excluding old age security tax): Basic" personal income tax textualing out 11% on first \$1,000 of taxable income \$ 110 on \$ 1,000 plus 14% on next \$ 250 '' 2,000 '' 17% '' '' 420 '' 3,000 '' 19% '' '' 610 '' 4,000 '' 22% '' '' 1,050 '' 6,000 '' 26% '' '' EXEMPTIONS AND DEDUCTIONS 2,000 Same as 1966. 610 " 1,050 " 1,570 " 2,170 " 2,870 " 6,000 8,000 10,000 TAX ABATEMENTS, REDUCTIONS AND CREDITS 40% 45% 50% Increase in the provincial income tax abatement to 28% in all province 12,000 15,000 4,070 " 8,570 " 16,070 " other than Quebec, and 50% in Quebec. 4,070 " 15,000 8,570 " 25,000 16,070 " 40,000 27,070 " 60,000 45,070 " 90,000 67,820 " 125,000 137,820 " 225,000 269,070 " 400,000 The tax reductions of the previous year are changed to a single reduct equal to 20% of "basic" personal income tax (maximum \$20). 20,000 60% 65% 70% The credit for dividends from Canadian corporations remains at 20% of 35,000 100,000 amount of dividends received. \*\* 80% 1968 Old age security tax: of taxable income (maximum \$120). Tax on investment income from sources outside Canada:

4% of the taxpayer's income from investment outside Canada, after deduction of \$2,400 or the total of his personal exemptions, whichever is greater, plus allowable charitable donations and medical expenses. Same as 1967 except for the imposition of a surtax equal to 3% of bas personal income tax in excess of \$200. EXEMPTIONS AND DEDUCTIONS EXEMPTIONS AND DEDUCTIONS Same as 1966. 2.000 TAX ABATEMENTS, REDUCTIONS AND CREDITS hild under 16 Other dependant. Same as 1967. Old age (taxpayer 65 years of age and over) ..... 1969 Charitable donations, medical expenses and union dues:
Charitable donations:
Up to 10% of income,
Medical expenses:
Over 3% of income,
Union or professional dues:
No restriction RATES Same as 1968 except for the imposition of a social development tax equ to 2% of taxable income (maximum \$120). No restriction. EXEMPTIONS AND DEDUCTIONS Standard deduction of \$100 (in lieu of claiming deductions for charitable donations, medical expenses and union or professional dues). Same as 1966. TAX ABATEMENTS, REDUCTIONS AND CREDITS TAX ABATEMENTS, REDUCTIONS AND CREDITS Provincial income tax abatement: 18% of "basic" personal income tax. Same as 1967. Credit for dividends from Canadian corporations: 20% of the amount of dividends received. 1970 1965 RATES Same as 1969. RATES Same as 1964. EXEMPTIONS AND DEDUCTIONS **EXEMPTIONS AND DEDUCTIONS** Same as 1966 except that the old age exemption of \$500 is restricted Same as 1964. persons 70 years of age and over. TAX ABATEMENTS, REDUCTIONS AND CREDITS Increase in the provincial income tax abatement to 21% in all provinces other than Quebec, and 44% in Quebec (the additional 23 percentage points in Quebec are in respect of fiscal compensation for opting out of certain federal-provincial shared cost programs). TAX ABATEMENTS, REDUCTIONS AND CREDITS Same as 1967. Provision of a tax reduction equal to 5% of "basic" personal income tax (maximum \$300). 1971 The credit for dividends from Canadian corporations remains at 20% of the amount of dividends received. RATES 1966 "Basic" personal income tax (excluding old age security tax):
Nil on first \$500 of taxable income
Nil on \$ 500 plus 16% on next \$ 1,500 0 or taxable income 500 plus 16% on next \$ 2,000 " 18% " " 4 4,000 " 22% " " 6,000 " 26% " " 4 on \$
240 "
420 " RATES Same as 1964 **EXEMPTIONS AND DEDUCTIONS** 2,000 1,050 " 66 Same as 1964, except that a separate deduction is allowed for union and professional dues in addition to the standard deduction of \$100 and that the \$500 deduction for a taxpayer between the ages of 65 and 70 is cancelled if he is in receipt of old age security benefits. 1,570 " 2,170 " 2,870 " 8,000 10,000 2,000 40% " 12,000 15,000 3.000 4.070 50% \*\* 8,570 '' 16,070 '' 25,000 40,000 15,000 20,000 TAX ABATEMENTS, REDUCTIONS AND CREDITS 55% \*\*
60% \*\*
70% \*\*
75% \*\* 4.4 Increase in the provincial income tax abatement to 24% in all provinces other than Quebec, and 47% in Quebec. 27,070 '4 45,070 '4 60,000 90,000 125,000 225,000 30,000 35,000 100,000

Cancellation of the tax reduction enacted in 1965 and provision of two separate tax reductions equal to 4% of "basic" personal income tax (maximum \$240) and 12% of "basic" personal income tax (maximum \$12).

The credit for dividends from Canadian corporations remains at 20% of the amount of dividends received.

400.000 Old age security tax: 4% of taxable income (maximum \$240).

67,820 " 137,820 '' 269,070 '' 4.6

" remainder

1971

### RATES - Concluded

social development tax is reduced to  $2\%\,\mathrm{of}$  taxable income in excess f  $1,000\,\mathrm{(maximum\ $100)}.$ 

surtax on basic personal income tax in excess of \$200 is reduced to

on investment income from sources outside Canada: % of the taxpayer's income from investment outside Canada, after de-duction of \$2,400 or the total of his personal exemptions, whichever is greater, plus allowable charitable donations and medical expenses.

### EXEMPTIONS AND DEDUCTIONS

e as 1970 except that the amount of any guaranteed income sup-ement payable under the Old Age Security Act is deductible in imputing taxable income.

# TAX ABATEMENTS, REDUCTIONS AND CREDITS

te as 1967 except for the repeal of the "basic" personal income tax duction of 20% (maximum \$20) and the introduction of a tax cut equal 14% of "basic" personal income tax (effectively 3% of "basic" resonal income starting from July 1, 1971).

1972

# CHANGES IN THE CONCEPT OF INCOME

er tax reform, income is broadened to include half of capital gains; alf of capital losses are deductible from capital gains brought into inome or from other income if they do not exceed \$1,000. Income is also
cadened to include unemployment insurance benefits and other
ceipts hitherto excluded from its ambit.

### RATES

on the first \$500 of taxable income

85	on	\$ 500	plus	18%	on	next	\$ 500
175	44	1,000	4.6	19%	4.4	4.6	1,000
865	4.6	2 000	4.6	2007	4.6	44	1 000

565 " 3,000 " 21% " " 2.000 985 " 5,000 \*\* 23% \*\* \*\* 2,000

445 " 7,000 \*\* 25% \*\* \*\* 2,000

.945 " 9,000 " 27% " " 485 " 11,000 " 31% " " 3,000 415 " 14,000 " 35% " "

10,000 915 " 24,000 " 39% " " 15,000 1765 " 39,000 " 43% " " 21,000

2795 " 60,000 " 47% " excess

old age security and social development taxes are eliminated as sepate levies and the surtax and the 4% tax on investment income from surces outside of Canada are cancelled.

# **EXEMPTIONS AND DEDUCTIONS**

and did no	le.		 \$1,500
Ą	ed	****	 2,850

.ild under 16 her dependant

300 550

ayer who is blind or confined to a wheelchair ....

itable donations, medical expenses and union dues: aritable donations: Up to 20% of income. dical expenses: Over 3% of income.

endants

andard deduction of \$100 (in lieu of claiming deductions for charitable ionations and medical expenses).

or professional dues: restriction.

30 for each child under 14 years of age (maximum \$2,000 per family)

owment expenses: to 3% of employment income (maximum \$150).

moval expenses incurred by a taxpayer who changes job.

# TAX ABATEMENTS, REDUCTIONS AND CREDITS

Provincial income tax abatement:
All provinces other than Quebec:
Nil.

Quebec:

24% of federal personal income tax.

Tax reduction: 3% of basic personal income tax.

Dividend tax Credit:

Individuals are allowed a credit for dividends which operates as follows: the amount of dividend received is increased by 33½% and added to income and 20% of the "grossed up" dividend is allowed as a credit against tax.

1973

### RATES

1507 on 1	ih o	first occ	0 - 6				
10% 011	me	first \$50					
	on	\$ 500	plus	18%	on	next	\$ 500
165	6.6	1,000	6.6	19%	6.6	6.6	1.000
000	6.6	2,000	6.6	20%	€ €	1.6	1,000
555	6.6	3,000	6.6	21%	€ €	6.6	2,000
975	4.6	5,000	4.6	23%	6.6	4.6	2,000
1,435	6.0	7,000	6.6	25%	1.5	0.0	2,000
1,935	6.6	9,000	4.6	27%	6.6	6.6	2,000
2,475	4.6	11,000	6.6	31%	6.6	€ €	3,000
3,405	6.6	14,000	6.6	35%	€ €	6.6	10,000
6,905	4.6	24.000	4.6	39%	4.4	6.6	15,000
12,755	6.6	39,000	4.4	43%	46	6.6	21,000
21,785	6.6	60,000	4.6	47%	6.6	exces	

# EXEMPTIONS AND DEDUCTIONS

ingle		\$1.600
arried		3.000
ther exemptions and	deductions:	0,000

Same as 1972.

# TAX ABATEMENTS, REDUCTION AND CREDITS

Provincial income tax abatement: Same as 1972.

Tax reduction:

Ма

A taxreduction equal to 5% of basic personal income with a minimum of \$100 and a maximum of \$500 was granted for all taxpayers. It replaces the 3% reduction of basic personal income tax in force in 1972.

Dividend tax credit: Same as 1972.

1974

## RATES

1	7% on	the	first \$50	0 of	taxa1	ble	incom	ne
\$	60	on	\$ 500	plus	18%	on	next	\$ 500
	180		1,000	4.6	19%	6.6	6.6	1,000
	340	6.6	2,000	6.6	20%	6.6	6.6	1,000
	540	6.6	3,000	4.6	21%	6.6	6.6	2,000
	960	6.6	5,000	6.6	23%	6.6	6.6	2,000
	1,420	6.6	7,000	4.6	25%	4.6	4.4	2,000
	1,920	4 6	9,000	6.6	27%	6.6	6.6	2,000
	2,460	4.6	11,000	6.6	31%	6.6	6.6	3,000
	3,390	6.6	14,000	6.6	35%	6.6	4.6	10,000
	6,890	6.6	24,000	6 6	39%	c c	4.4	15,000
	12,740	4.6	39,000	4.4	43%	6.6	6.6	21,000
	21 770	1 6	60,000	4.4	47%	4.4	PYCPS	

# EXEMPTIONS AND DEDUCTIONS

Single	\$1,806
Dependents	0,130
Child under 16	320
Other dependent	586
Old age (taxpayers 65 years of age and over)	1,066
Other exemptions and deductions:	1,066
Same as 1972.	

# TAX ABATEMENTS, REDUCTION AND CREDITS

Provincial income tax abatement: Provincial income ta:
Same as 1972.
Tax reduction:
Same as 1973.
Dividend Tax Credit:
Same as 1972.

TABLE II. Historical Summary of the Personal Income Taxes levied by the Province of Quebec, 1964 to 1974

		1964		
		RATES		
2.5% on firs	t \$1.000 of ta	axable income		
\$ 25 on 3			1,000	
53 ''	2,000 "	3.2% " "	2,000	
117 ''	4,000 "	3.6% " "	2,000	
189 ''	6,000 ''	4.7% ** **	2,000	
283 ''	8,000 "	5.4% " "	2,000	
391 ''	10,000 "	6.3% " "	2,000	
517 ''	12,000 "	7.2% " "	3,000	
733 ''	15,000 "	8.1% " "	10,000	
1,543 ''	25,000 "	9.0% " "	15,000	
2,893 ''	40,000 "	9.9% " "	20,000	
4,873 "	60,000 "	10.8% " "	30,000	
8,113 ''	90,000 ''	11.7% " "	35,000	
12,208 "	125,000 "	12.6% " "	100,000	
24,808 ''	225,000 ''	13.5% " "	175,000	
48,433 ''	400,000 "	14.4% " remai		
or persons	l exemptions		CDUCTIONS	
		APTIONS AND D		¢1 000
Dependants: Child und	er 16			300
		s of age or over)		
Other deduct	ions:	ne tax deductions		
		TAX CREE	ıT	
Credit for di	vidends rece			s equal to 15% of
the federa		. Tour it office outloan	001 p014010111	, 04442 10 21/0 01
		1965		
		RATES		
4.8% on firs \$ 48 on		exable income as 6.2% on next	\$ 1,000	
110 ''	2,000	7.5% "	1,000	
185 '' 269 ''	3,000	O . 1/0	1,000	
463 ''	4,000 °	0 1 /0	2,000 2,000	
691 ''	8,000 4	13.2% " "	2,000	
955 '' 1,263 ''	12,000 "	17.6% " "	2,000 3,000	
1.791 ''	15,000 "	19.8% " "	10,000	
7,071 ''	40,000	24.2% "	15,000 20,000	
11,911 ''	60,000 "	4 26.4% ** **	30,000	
29,841 ''	90,000 °	20.070	35,000 100,000	
60,641 "	225,000 '	33.0% " "	175,000	
,	200,000	oosayo rema	шиег	
Fax on inve	stment incom	ie:		

# **EXEMPTIONS AND DEDUCTIONS**

Same as 1964.

Same as 1964.

## TAX CREDIT

The credit for dividends from Canadian corporations is increased to 45% of the corresponding federal credit.

# 1966 RATES

5.2% on f	irst	\$1 000 of	taxa	able in	cor	ne	
	on §						\$ 1,000
						11CAL	
118	4.6	2,000	6.6	8.0%	6.6		1,000
198	1.4	3,000	6.6	8.9%	6.6		1,000
287	6.6	4,000	4.6	10.3%	6.6	6.6	2,000
493	6.6	6,000	4.6	12.2%	6.6	6.6	2,000
737	11	8,000	4.6	14.1%	4.6	4.6	2,000
1,019	6.6	10,000	6.6	16.5%	4.5	6.6	2,000
1,349	6.6	12,000	6.6	18.8%	6 6	6.6	3,000
1,913	6.6	15,000	4.6	21.2%	6.6	6.6	10,000
4.033	6.6	25,000	6.6	23.5%	0.6	6.6	15,000
7,558	6.6	40,000	4.6	25.9%	0.6	6.6	20,000
12,738	4.4	60,000	4.6	28.2%	6.6	6.6	30,000
21,198	6.6	90,000	6.6	30.6%	6 6	4.6	35,000
31,908	4.4	125,000	4.6	32.9%	6.6	4.6	100,000
64,808	6.6	225,000	6.6	35.3%	6.6	4.6	175,000
126.583	6.6	400,000	6.6	37.6%	4.4	rema	inder
		,					

Tax on investment income:  $\frac{1}{2}$  of 1% of the taxpayer's income from investment outside Canada, after deduction of \$2,400 or the total of his personal exemptions whicheve is greater, plus allowable charitable donations and medical expenses

# EXEMPTIONS AND DEDUCTIONS

Same as 1964.

TAX CREDIT

Same as 1965.

1967

# RATES

5.5% on f	irs	\$1,000 o	f tax	able in	cor	ne	
	on					next S	1,000
125	4.6	2,000		8.5%	6 6	6.6	1,000
210	6.6	3,000	6.6	9.5%	6.6	4.4	1,000
305	6.6	4,000	4.6	11.0%	6.6	4.4	2,000
525	4.4	6,000	6.6	13.5%	6.6	4.4	2,000
785	6.6	8,000	6.6	15.0%	6.6	6.6	2,000
1,085	6.6	10,000	6.6	17.5%	6.6	6.6	2,000
1,435	6.6	12,000	6.6	20.0%	6.6	4.4	3,000
2,035	6.6	15,000	4.6	22.5%	4.6	6.6	10,000
4,285	6.6	25,000	6.6	25.0%	4.6	6.6	15,000
8,035	6.6	40,000	6.6	27.5%	4.6	+4	20,000
13,535	6.6	60,000	4.6	30.0%	6.6	6.6	30,000
22,535	6.6	90,000	4 6	32.5%	6.6	6.6	35,000
33,910	4.4	125,000	4.6	35.0%	6.6	6.6	100,000
68,910		225,000	4.6	37.5%	4.4	6.6	175,000
134 535	4.6	400 000	4.6	40.0%	4.6	remai	nder

Tax on investment income: Rate increased to 2%; same base as 1966.

# **EXEMPTIONS AND DEDUCTIONS**

The \$300 exemption for a child under 16 is repealed effective July 1 1967 (this leaves a deduction of \$150 available for the taxation yea 1967).

Low income:

No tax is payable if income does not exceed \$2,000 if single or \$4,00 if married.

Other exemptions and deductions: Same as 1964.

# TAX CREDIT

The credit for dividends from Canadian corporations is increased to  $50^\circ$ of the corresponding federal credit.

1968

# RATES

Same as 1967 except for the imposition of a 6% surtax on the provincial personal income tax.

# **EXEMPTIONS AND DEDUCTIONS**

Same as at July 1, 1967.

# TAX CREDIT

Same as 1967.

TABLE II. Historical Summary of the Personal Income	Taxes levied by the Province of Quebec	1964 to 1974
---	--	--------------

TABLE II. Historical Summary of the Personal Income Tax	es levied by the Province of Quebec, 1964 to 1974 - Concluded
1969	1972
RATES	EXEMPTIONS AND DEDUCTIONS
EXEMPTIONS AND DEDUCTIONS fine as at July 1, 1967.	Single
TAX CREDIT	Old age (taxpayer 65 years of age or over)
1970	Employment expenses:  Certain deductions are available for some expenses related to employment, such as the purchase of certain tools and special clothing, moving expenses and child care expenses.
RATES  The as 1968 except for the imposition of a health insurance tax, at the rate of 8/10 of 1% of net income (maximum: \$125 if at least % of the income is salary, or \$200 otherwise), effective November 1, 1970.	Other deductions: Union or professional dues: No restriction. Charitable donations: Up to 10% of income. Medical expenses: Over 3% of income.
EXEMPTIONS AND DEDUCTIONS e as at July 1, 1967.	10
TAX CREDIT	Standard deduction of \$100 in lieu of claiming deductions for charitable donations and medical expenses.
de as 1967.	TAX CREDIT
1971	Credit for dividends from Canadian corporations: 50% of corresponding federal credit.
RATES e as November 1, 1970.	1973
EXEMPTIONS AND DEDUCTIONS as at July 1, 1967.	RATES Same as 1972.
TAX CREDIT	EXEMPTIONS  Low income: No taxis payable if incomedoes not exceed \$2,500 if single or \$5,000 if married.
1972	All other exemptions remain unchanged from 1972.
CHANGES IN THE CONCEPT OF INCOME  me is broadened to include half of capital gains; half of capital  Sees are deductible from capital gains brought into income. Income is	Same as 1972.
so broadened to include unemployment insurance benefits.	1974
RATES  on first \$2,000 of taxable income 200 on \$ 2,000 plus 11% on next \$ 1,000	RATES Same as 1972.
310 " 3,000 " 12% " 2,000 550 " 5,000 " 14% " 2,000 330 " 7,000 " 16% " 2,000	EXEMPTIONS  Old age (taxpayer 65 years of age or over)\$1,000
150 " 9,000 " 18% " " 2,000 110 " 11,000 " 20% " " 3,000 110 " 14,000 " 22% " " 10,000	Low income:  No tax is payable if income does not exceed \$2,600 if single or \$5,200 if married.
10 " 14,000 " 22% " " 10,000 10 " 24,000 " 24% " " 15,000 10 " 39,000 " 26% " " 21,000 17 " 60,000 " 28% " remainder	Single and married taxpayers whose income is between \$2,600 and \$2,850 and \$5,200 and \$5,785 respectively, are to pay taxes no higher than 50% of the difference between their net income and the amount of their exemptions.
h insurance tax:	All other exemptions remain unchanged from 1972,
(ax on investment income and the 6% surtax are cancelled.	TAX CREDIT Same as 1972.

TABLE III. Historical Summary of the Personal Income Taxes levied by the Provinces Other than Quebec, 1964 to 1974

Note: These provinces do not collect their own tax. It is collected on their behalf by the federal government. For years prior to 1971, their imposts are expressed as a percentage of the federal "basic" personal income tax. For 1972, 1973 and 1974 they are expressed as a percentage of the revised "basic" federal personal income tax.

No.	Province	1964	1965	1966	1967	1968
	Newfoundland	18 18 18 18 18 24 24	21 21 21 21 21 26 27 21	24 24 24 24 24 29 29 29	28 28 28 28 28 28 33 33	Same as 1967 Same as 1967 Same as 1967 Same as 1967 Same as 1967 Same as 1967 Same as 1967
9	British Columbia	18	21	24	28	Same as 1967

<sup>&</sup>lt;sup>1</sup> Effective July 1, 1971. <sup>2</sup> Effective July 1, 1969.

TABLE IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments, 1964 to 1974

No.	Government	1964	1965	1966	1967	1968
1	Canada <sup>1</sup>	All income other than dividend income:  18% on first \$35,000 of taxable income  47% on taxable income in excess of \$35,000  Plus 3% old age security tax on all taxable income  Dividend income:  Exempt	Same as 1964	Same as 1964	Same as 1964	Same as 1964 except for imposition of 3% surtax on tax other than old age security tax.

See footnote(s) at end of table.

# TABLE III. Historical Summary of the Personal Income Taxes levied by the Provinces Other than Quebec, 1964 to 1974

Note: These provinces do not collect their own tax. It is collected on their behalf by the federal government. For years prior to 1971, their imposts are expressed as a percentage of the federal "basic" federal personal income tax. For 1972, 1973 and 1974 they are expressed as a percentage of the revised "basic" federal personal income tax.

1969	1970	197 1	1972	1973	1974	No
33 Same as 1967 Same as 1967 38 <sup>2</sup> Same as 1967 Same as 1967 Same as 1967 33 <sup>3</sup> Same as 1967	Same as 1969 Same as 1967 Same as 1967 Same as April 1, 1969 Same as 1967 39 34 Same as July 1, 1969 Same as 1967	Same as 1969 331 Same as 1967 Same as April 1, 1969 27.5 Same as 1970 Same as 1970 Same as July 1, 1969 Same as 1967	36.0 36.0 38.5 41.5 29.585 42.5 37.0 36.0 30.5	Same as 1972 Same as 1972 Same as 1972 Same as 1972 30.5 Same as 1972 40.0 Same as 1972 Same as 1972	40.04 Same as 1972 Same as 1972 Same as 1972 Same as 1973 Same as 1972 Same as 1973 Same as 1972 Same as 1972	1 2 3 4 4 5 6 7 7 8 8 9

<sup>&</sup>lt;sup>3</sup> Effective July 1, 1969. <sup>4</sup> Effective July 1, 1974.

TABLE IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments,

1969	1970	1971	1972	1973	1974	No
Same as 1968	Same as 1968	until July 1. Effective July 1, repeal of 3% surtax and reduction of 7% of tax otherwise payable valid till December	Public corporations:  (a) Business income: 50% of taxable income. (b) Dividend income: exempt unless paid out of the designated surplus of a sub- sidiary corporation. (c) Other investment in- come: 50%.2	Public corporations:  (a) Business income: (i) 40% of taxable income from manufacturing and processing activities. (ii) 49% of taxable income from other business activities. (b) Dividend income: exempt unless paid out of the designated surplus of a subsidiary corporation. (c) Other investment income: 49%.	Public corporations:  (a) Business income:     (i) 40% of taxable income from manufacturing and processing activities.     (ii) 48% of taxable income from other business activities.  (b) Dividend income: exempt unless paid out of the designated surplus of a subsidiary corporation.  (c) Other investment income: 48%.	1
		1972.	Private corporations:  (a) Business income: 25% on the first \$50,000 of taxable income and 50% on taxable income in excess of \$50,000 of active Canadian-controlled corporations, 50% of taxable income of other private corporations. 2  (b) Dividend income: usually exempt if received from subsidiary corporations; 33 1/3 if received from other corporations but refunded if dividends are paid to shareholders.  (c) Other investment income: 50% subject to the provision that half of the tax paid can be refunded as dividends are paid to shareholders.	Private corporations:  (a) Business income: (i) 20% on the first \$50,000 of taxable income and 40% on taxable income in excess of \$50,000 generated by the manufacturing and processing activities of Canadian-controlled corporations; 40% on taxable income generated by the manufacturing and processing activities of other private corporations.  (ii) 25% on the first \$50,000 of taxable income and 49% on taxable income in excess of \$50,000 generated by the other business activities of Canadian-controlled corporations; 49% on taxable income generated by the other business activities of other private corporations.  (b) Dividend income: usually exempt if received from subsidiary corporations; 331/3% if received from other corporations but the tax is refunded if dividends are paid to shareholders.  (c) Other investmentincome:49% subject to the provision that half of the tax paid can be refunded if dividends are paid to shareholders.	Private corporations:  (a) Business income:  (i) 20% on the first \$50,000 of taxable income and 40% on taxable income in excess of \$50,000 generated by the manufacturing and processing activities of Canadian-controlled corporations; 40% on taxable income generated by the manufacturing and processing activities of other private corporations.  (ii) 25% on the first \$50,000 of taxable income in excess of \$50,000 generated by the other business activities of Canadian-controlled corporations, 44% on taxable income generated by other business activities of Canadian-controlled corporations, 44% on taxable income generated by other business activities of other private corporations.  (b) Dividend income: usually exempt if received from subsidiary corporations 33 1/3% if received from other corporations but the tax is refunded if dividends are paid to shareholders.  (c) Other investment income: 48% subject to the provision that half of the tax paid can be refunded if dividends are paid to shareholders.	

TABLE IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments, 1964 to 1974 - Concluded

No.	Government	1964	1965	1966	1967	1968
2	Newfoundland	9% on same base as federal income tax	Same as 1964	Same as 1964	11%	12% :
3	Prince Edward Island	9% on same base as federal income tax	Same as 1964	Same as 1964	10%	Same as 1
4	Nova Scotia	9% on same base as federal income tax	Same as 1964	Same as 1964	10%	Same as 1
5	New Brunswick	9% on same base as federal income tax	Same as 1964	Same as 1964	10%	Same as 1
6	Quebec	12% on base very similar to federal income tax	Same as 1964	Same as 1964	Same as 1964	Same as 19
7	Ontario	11% on base very similar to federal income tax	Same as 1964	Same as 1964	Same as 1964	12%
8	Manitoba	10% on same base as federal income tax	Same as 1964	Same as 1964	11%	Same as 19
9	Saskatchewan	10% on same base as federal income tax	Same as 1964	Same as 1964	11%	Same as 19
10	Alberta	9% on same base as federal income tax	Same as 1964	Same as 1964	10%	Same as 19
11	British Columbia	9% on same base as federal income tax	Same as 1964	Same as 1964	10%	Same as 19

<sup>&</sup>lt;sup>1</sup> Under the Federal-Provincial Fiscal Arrangements, the federal corporations income tax was, until 1967, abated by an amount equal to 9% of corporation taxable income in all provinces other than Quebec and by an amount equal to 10% of corporation taxable income in Quebec. In 1967, the abatement became a uniform 10% of ration taxable income in all provinces.

<sup>2</sup> The 7% reduction of tax otherwise payable was still valid, thus bringing the effective rate at 46.5% and 23.25%.

TABLE V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1964 to 1974

No.		1964	1965	1966	1967	1968
	RATES  1. Federal sales tax (imposed on manufacturer's selling price of domestic products and duty paid value of imported goods):					
1 2 3	(a) General rate  (b) Old age security tax  (c) Combined rate (a+b)  (d) Special rates:	8% 3% 11%	Same as 1964	Same as 1964	9% 3% January 1	Same as 1967
4	(i) Most building materials	4% to March 31, 8% effective April 1	2	2	11% effective January 1	Same as 1967
5	(ii) Production machinery	4% to March 31, 8% effective April 1	2	2	11% to March 31, 6% from April 1 to June 2 exempt effective June 2	1
6	(iii) Dies, jigs, fixtures and moulds and patterns therefor and tool- ing for production machinery	4% to March 31, 8% effective April 1	2	Exempt effective March 30	1	1

See footnote(s) at end of table.

TABLE IV. Historical Summary of the Corporation Income Taxes levied by the Federal and Provincial Governments, 1964 to 1974 - Concluded

_	1969	1970	1971	1972	1973	1974	No.
							1110.
	13%	Same as 1969	Same as 1969	Same as 1969	Same as 1969	Same as 1969	2
· silve	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	3
Ŀ	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	4
1	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	5
	Same as 1964	Same as 1964	Same as 1964 <sup>3</sup>	Same as 1964	Same as 1964	Same as 1964	6
	Same as 1968	Same as 1968	Same as 1968 <sup>4</sup>	Same as 1968	Same as 1968	Same as 1968 <sup>5</sup>	7
	Same as 1967	13%	Same as 1970	Same as 1970	Same as 1970	Same as 1970	8
	Same as 1967	Same as 1967	Same as 1967	Same as 1967	12%	Same as 1973	9
	11%	Same as 1969	Same as 1969	Same as 1969	Same as 1969	Same as 1969	10
1	Same as 1967	Same as 1967	Same as 1967	Same as 1967	12%	Same as 1973	11

<sup>&</sup>lt;sup>3</sup> Corporations investing during the period April 1, 1971, to March 31, 1974, more than \$150,000 of their profits in designated areas in new technological processes or eproduction of goods not yet produced in Quebec can benefit from tax credits ranging from 30% to 100% of the amounts invested.

\*Credit granted against corporations income tax, equal to 5% of eligible investment in machinery and equipment purchased and used in Ontario during the period April 1971, and March 31, 1973. Deduction from income of the interest paid on money borrowed to purchase shares in other corporations during corporation fiscal years ended a Credit granted to privately controlled Canadian corporations which qualify for the federal small business deduction equal to 5% of the annual increase in paid-up retal or 50% of taxable income up to a maximum of \$3,000 whichever is the lesser effective April 9.

TABLE V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1964 to 1974

1969	1970	197 I	1972	1973	1974	No.
			12%]			1
Same as 1967	Same as 1967	Same as 1967	Effective January 1	Same as 1972	Same as 1972	2
Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	4
3	1	1	1	1	i	5
						6
1	1	1	1	1	1	

TABLE V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1964 to 1974 - Concluded

No.		1964	1965	1966	1967	1968	1969
	Provincial sales taxes (imposed on retail price):						
7		5%	Same as 1964	Same as 1964	6% (effective	7% (effective	Same as i
8	(2) Prince Edward Island	5%	Same as	Same as	April 1) Same as	April 1) Same as	April 1, 196,
9	(3) Nova Scotia	5%	April 23, 1964 Same as 1964	April 23, 1964 Same as 1964	April 23, 1964 Same as 1964	April 23, 1964 Same as 1964	April 15) 7% (effective
10	(4) New Brunswick	3%	Same as 1964	Same as 1964	6% (effective	Same as	April 4) 4 8% (effective
11	(5) Quebec	6% April 1	Same as April 1, 1964	Same as April 1, 1964	January 1) 8% (effective March 17)	January 1, 1967 Same as March 17, 1967	April 1) Same as March 17, 19
12	(6) Ontario: (a) General	3%	Same as 1964	5% (effective	Same as	Same as	Same as
13	(b) Meals and alcoholic beverages	3%	Same as 1964	April 1) 5% (effective April 1)	April 1, 1966 Same as April 1, 1966	April 1, 1966 Same as April 1, 1966	April 1, 196 ( 10% (effective April 1)
14	(7) Manitoba:				5% (effective	Same as	Same as
15					June 1) 5% (effective June 1)	June 1, 1967 Same as June 1, 1967	June 1, 196 7 Same as June 1, 196
16	(8) Saskatchewan	5%	4% (effective February 20) <sup>3</sup>	Same as February 20, 1965	Same as February 20, 1965	5% (effective March 2)	Same as March 2, 196
17	(9) British Columbia	5%	Same as 1964	Same as 1964	Same as 1964	Same as 1964	Same as 196
	CHANGES IN EXEMPTIONS						
18	(Unless otherwise specified, the following are new exemptions).		Prince Edward Island Soft drinks.  Quebec: Exemption for meals under \$1.00 raised to meals under \$1.25. Saskatchewan: Insecticides.	British Columbia:  Candy; soft drinks; all meals; newspapers sold over the counter and by subscription; classroom supplies.	Federal sales Tax:  Drugs and medicines; some orthopaedic appliances; production machinery.  Manitoba:  Introduction of general sales tax (for list of exemptions see Table 3 on page 20).	Saskatchewan:  Former exemption for all meals restricted to meals under \$2.00.	Ontario:  Meals under \$ Repeal of emption industrial chinery.
19	TAX ON SERVICES	-	Quebec: Hotel and motel accommodations; long distance telephone calls; telecommunications.	Ontario: Telephone services and telecommunications.	Manitoba:  Hotel and motel accommodations; telephone services over 45¢; telecommunications; repairs; laundry and drycleaning; printing, photography, microfilming, etc.	New Brunswick: Hotel and motel accommodations; telecommunications. Saskatchewan: Hotel and motel accommodations; telephone services; telecommunications.	Newfoundland: Hotel and mote commodatio telephone ices; teleconnications; pairs; lau and dry-clea: New Brunswick: Laundry and cleaning. Ontario: Hotel and mote commodatio

<sup>&</sup>lt;sup>1</sup> Exempt from federal sales tax.
<sup>2</sup> Subject to federal sales tax at full rates.

TABLE V. Historical Summary of the General Sales Taxes levied by the Federal and Provincial Governments, 1964 to 1974 - Concluded

1970	1971	1972	1973	1974	T
					-
Same as pril 1, 1968	Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	8% (effective April 10)	,
Same as ril 15, 1969	8% (effective March 19)	Same as March 19, 1971	Same as March 19, 1971	Same as	
Same as pril 4, 1969	Same as April 4, 1969	Same as April 4, 1969	Same as	March 19, 1971 Same as	ı
Same as April 1, 1969	Same as	Same as	April 4, 1969 , Same as	April 4, 1969 Same as	
Same as	April 1, 1969 Same as	April 1, 1969 Same as	April 1, 1969 Same as	April 1, 1969	
rch 17, 1967	March 17, 1967	March 17, 1967	March 17, 1967	Same as March 17, 1967	
Same as pril 1, 1966	Same as April 1, 1966	Same as	7% (effective May 1)	Same as May 1, 1973	
Same as	Same as	April 1, 1966 Same as	Same as	Same as	,
pril 1, 1969	April 1, 1969	April 1, 1969	April 1, 1969	April 1, 1969	
Same as	Same as June 1, 1967	Same as	Same as	Same as	
Same as	Same as	June 1, 1967 10% (effective	June 1, 1967 Same as	June 1, 1967 Same as	ı
June 1, 1967 Same as	June 1, 1967 Same as	June 1) Same as	June 1, 1972	June 1, 1972	-
arch 2, 1968 ame as 1964	March 2, 1968 Same as 1964	March 2, 1968	Same as March 2, 1968	Same as March 2, 1968	J
	Dame 25 1504	Same as 1964	Same as 1964	Same as 1964	1
atchewan: ectricity used	Prince Edward Island:	Newfoundland:	Federal Sales Tax:	Federal Sales Tax:	1
for heating.	Railway rolling stock; commer-	Children's clothing. Quebec:	Confectioneries, chocolate bars, soft drinks, fruit drinks and	Clothing and footwear.  Newfoundland:	
ion for meals under \$2.00.	cial vessels.	Industrial production equipment.	similar near food products; chil- dren's clothing, shoes and other	Domestic fuel and heating oil.	
peal of exemp-	New Brunswick: Building mate-	Ontario:  Repeal of exemption for draught	footwear. Nova Scotia:	Prince Edward Island:	
rolling stock, ties and steel rails.	rials.	beer, which becomes taxable as in (b).  Manitoba: Safety clothing. Increase of rate from 5% to 10% on spirits, wines and imported beer. Repeal of exemptions for production machinery and vessels over 200 tons gross.  Saskatchewan: Meals under \$2.51.	Larger sizes of children's clothing and footwear; all merchandise, except automotive equipment and parts, sold to Indians on reservations for their own use.  Quebec:  Exemption for meals under \$1.25 raised to meals under \$1.50. Small sale exemption raised from 10¢ to 15¢.  Ontario:	Goods and materials used in making clothing; soap and cleaning supplies, and articles traded in against purchases. Small sale exemption raised from 11¢ to 16¢. Prepared meals of less than \$2.01 exempted. Refund of sales tax to newlyweds for up to \$1000 purchases of furniture and other household supplies within the first year of marriage. Books and other printed material of informational or literary value.  New Brunswick:  Clothing and footwear, microfilm purchases by libraries (containing information equiv-	l
			Exemption for meals increased from \$2.50 to \$4.00. Seeds, bulbs, natural flowers, etc; household pets.	alent to a book ordinarily exempted), and purchases made by Status Indians off the reservation for delivery on the reservation. Prepared meals of less than \$2.01 exempted.  Ontario:  Personal hygiene items, e.g., toothpaste, baby	
				<pre>powder soap, detergents etc., and footwear of \$30 or less.</pre> <pre>Manitoba:</pre>	
				Exemption for prepared meals raised to \$2.99 from \$1.99. Purchases (except motor cars) made by Status Indians.	
				British Columbia: Books and second-hand clothing.	
	British Columnia:	New Cody			
-	Hotel and motel accommodations.	Nova Scotia:  Hotel and motel accommodations.		_	
	accommodations.				

TABLE VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1964 to 1974

	1964 to 1974							
No.	Province	1964	1965	1966	1967	1968		
	No. of the Parish							
1	Newfoundland:  Motive fuel	19¢ per gallon	Same as 1964	Same as 1964	20¢ per gallon (effective April 1)	25¢ per gallo (effective Apri		
2	Cigarettes	1/4 of 1¢ each	1			f ½ of 1¢ each		
3	Cigars	1¢ to 5¢ each	Same as July 1, 1964	Same as July 1, 1964	Same as July 1, 1964	2¢ to 10¢ eac		
4	Tobacco	1¢ per 1/2oz.unit (effective July 1)			, 2002	2¢ per ½ oz. u (effective Apri		
- 1	Prince Edward Island:							
5	Gasoline	18¢ per gallon	Same as April 23, 1964	Same as April 23, 1964	Same as April 23, 1964	21¢ per gallo (effective March		
6	Diesel fuel	18¢ per gallon	Same as April 23, 1964	Same as April 23, 1964	Same as April 23, 1964	21¢ per gallo (effective March		
7	Cigarettes	1/5 of 1¢ each				2/5 of 1¢ eac		
8	Cigars	1¢ to 3¢ each	Same as 1964	Same as 1964	Same as 1964	2/5 01 1¢ ear		
9	Other tobacco	10%				20% (effective March		
	Nova Scotia:							
10	Gasoline	19¢ per gallon	Same as 1964	Same as 1964	Same as 1964	Same as 1964		
11	Diesel fuel	27¢ per gallon	Same as 1964	Same as 1964	Same as 1964	Same as 196		
12	Aviation fuel	Nil	Nil	Nil	Nil	Nil		
13 14	Cigarettes Other tobacco products	1/10 of 1¢ each 5%	Same as 1964	Same as 1964	Same as 1964	Same as 196		
	New Brunswick:							
15	Gasoline	18¢ per gallon	Same as 1964	Same as 1964	Same as 1964	19¢ per gallo (effective April		
16 17	Diesel fuel	23¢ per gallon Nil	Same as 1964 Nil	Same as 1964 Nil	Same as 1964 Nil	Same as 196 Nil		
18	Cigarettes	1/5 of 1¢ each						
19	Cigars	1¢ to 3¢ each	Same as 1964	Same as 1964	Same as 1964	Same as 196		
20	Other tobacco products	10%						
	Quebec:							
21	Gasoline	15¢ per gallon	16¢ per gallon			19¢ per gallo		
22	Diesel fuel	21¢ per gallon	22¢ per gallon (effective April 8)	Same as April 8, 1965	Same as April 8, 1965	25¢ per gallo		
23	Aviation fuel	Nil	Nil	Nil	Nil	3¢ per gallo		
24	Cigarettes	1/5 of 1¢ each	6/25 of 1¢ each	1		(effective March		
25	Cigars	10% (when over 5¢)	12% (when over 5¢)	Same as April 8, 1965	Same as April 8, 1965	2/5 of 1¢ eac 20% (when over		
26	Manufactured tobacco	10%	12% (effective April 8)	April 0, 1900	April 6, 1800	20% (when over		
	Ontario:							
27		4.	) Sama 20	16¢ per gallon	Come of	18¢ per gallo		
28	Diesel fuel	2 1/2¢ per gallon (effective February 13)	Same as February 13, 1964	22¢ per gallon (effective April 1)	Same as April 1, 1966	24¢ per gallo		
29	Aviation fuel	Nil	Nil	Nil	Nil	3¢ per gallo		
30	Cigarettes	Nil	Nil	1/20 of 1¢ each to April 1; 1/10 of 1¢ from April 1		(effective March		
31	Cigars	Nil	Nil	1/5 of 1¢ per 5¢	Same as			
32			Nil	1¢ per oz. to April 1; 1¢-2¢ per oz. from April 1	April 1, 1966	½ of 1¢ per 50 2½¢ per oz. (effective March		
		1		1	ł	1		

Note: The taxes on motive fuels do not apply in all instances. Generally speaking all provinces provide either complete or partial exemptions for multiply used in farming operations. Similarly, several provinces provide either complete or partial exemptions for motive fuels used in the commercial fish See Table 5 "Miscellaneous Provincial Taxes" for a description of these exemptions.

TABLE VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1964 to 1974

		2001 10 2011			
1970	1971	1972	1973	1974	No.
Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	1
Same as April 1, 1968	Same as April 1, 1968	1¢ each 4¢ to 20¢ each 4¢ per ½ oz. unit (effective June 1)	Same as June 1, 1972	Same as June 1, 1972	\[ \begin{pmatrix} 2 \\ 3 \\ 4 \\ \end{pmatrix}
Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	5
Same as March 20, 1968	Same as March 20, 1968	25¢ per gallon (effective April 1972)	Same as April 19, 1972	Same as April 19, 1972	6
Same as March 20, 1968	Same as March 20, 1968	Same as, March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	$\begin{cases} 7\\8\\9 \end{cases}$
Same as April 4, 1969 Same as 1964	Same as April 4, 1969 Same as 1964	Same as April 4, 1969 Same as 1964	Same as April 4, 1968	Same as April 4, 1968	10
Nil	3¢ per gallon (effective August 1)	Same as	Same as August 1, 1971	Same as August 1, 1971	12
Same as April 4, 1969	Same as April 4, 1969	Same as April 4, 1969	Same as April 4, 1969	Same as April 4, 1969	\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
Same as April 1, 1969 Same as 1964	Same as April 1, 1969 Same as 1964	Same as April 1, 1969 Same as 1964	Same as April 1, 1969 Same as 1964	Same as April 1, 1969 Same as 1964	15
Nil	3¢ per gallon (effective May 15)	Same as May 15, 1971	Same as May 15, 1971	Same as May 15, 1971	17
Same as April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	18 19 20
					21
Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	22
					23
Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	24 25 26
Same as March 13, 1968	Same as March 13, 1968	19¢ per gallon 25¢ per gallon (effective March 29)	Same as March 29, 1972	Same as March 29, 1972	27 28
		3¢ per gallon	Same as March 13, 1968	Same as March 13, 1968	29
)		0.46 of 1¢ each	1		<b>[30</b>
Same as March 5, 1969	Same as March 5, 1969	1¢ per 5¢ 2½¢ per ½ oz. (effective March 29)	Same as March 29, 1972	Same as March 29, 1972	\\ 31 \\ \[ 32 \]
	Same as April 1, 1968  Same as April 1, 1968  Same as March 20, 1968  Same as March 20, 1968  Same as April 4, 1969 Same as 1964 Nil  Same as April 4, 1969 Same as April 1, 1969 Same as April 1, 1969 Same as April 1, 1969 Same as 1964 Nil  Same as April 1, 1969 Same as April 1, 1969 Same as April 2, 1968  Same as April 1, 1969	Same as April 1, 1968  Same as March 20, 1968  Same as March 20, 1968  Same as March 20, 1968  Same as April 4, 1969 Same as 1964 Nil Same as April 4, 1969 Same as April 4, 1969 Same as April 4, 1969  Same as April 4, 1969  Same as April 4, 1969  Same as April 1, 1969 Same as April 1, 1969 Same as 1964 Nil Same as April 1, 1969 Same as 1964 Nil Same as April 1, 1969 Same as 1964 Nil Same as April 1, 1969 Same as Same as April 1, 1969  Same as April 1, 1969 Same as Same as April 1, 1969  Same as April 1, 1969 Same as April 1, 1969  Same as Same as April 1, 1969	Same as	Same as	1970

TABLE VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1964 to 1974 — Concluded

	1964 to 1974 — Concluded							
No.	Province	1964	1965	1966	1967	1968		
	Manitahar							
1	Manitoba: Gasoline	17¢ per gallon	)					
2	Motive fuel	20¢ per gallon	Same as	Same as	Same as	Same as		
3	Aviation fuel	2¢ per gallon (effective October 19)	October 19, 1964	October 19, 1964	October 19, 1964	October 19, 19		
4	Cigarettes	2/5 of 1¢ each	]					
5	Cigars	1¢ to 10¢ each	Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 19		
6	Manufactured tobacco	2¢ per ½ oz. (effective October 19)	]	3000001 10, 1001				
	Saskatchewan:							
7	Gasoline	14¢ per gallon	Same as 1964	15¢ per gallon	Same as   March 15, 1966	17¢ per gallo		
8	Diesel fuel	17¢ per gallon	J	18¢ per gallon (effective March 15)	March 15, 1500	20¢ per gallo (effective March		
9	Aviation fuel	Nil	Nil	Nil	Nil	2¢ per gallon (effective Apri		
10	Cigarettes	Nil	1/5 of 1¢ each		1/5 of 1¢ each	8/25 of 1¢ an 9/25 of 1¢ eac		
11	Cigars	Nil	1¢ to 5¢ each	Same as April 1, 1965	1¢ to 5¢ each	1¢ to 10¢ eac		
12	Manufactured tobacco	Nil	1¢ per oz. (effective April 1)		1¢ per ½ oz.	2¢ per ½ oz. (effective March		
	Alberta:					1		
13	Gasoline	12¢ per gallon	Comp on 1004	Same as 1964	Same as 1964	15¢ per gallor		
14	Diesel fuel	14¢ per gallon	Same as 1964	Same as 1904	Same as 1904	17¢ per gallor		
15	Aviation fuel	Nil	Nil	Nil	Nil	3¢ per gallor (effective June		
16	Cigarettes	Nil	Nil	Nil	Nil	Nil		
17	Cigars	Nil	Nil	Nil	Nil	Nil		
18	Tobacco	Nil	Nil	Nil	Nil	Nil		
	British Columbia:							
19	Gasoline	13¢ per gallon	)					
20	Motive fuel	15¢ per gallon	Same as 1964	Same as 1964	Same as 1964	Same as 1964		
21	Aviation fuel	1¢ per gallon	}					
22	Cigarettes	Nil	Nil	Nil	Nil	Nil		
23	Cigars	Nil	Nil	Nil	Nil	Nil		
24	Other tobacco products	Nil	Nil	Nil	Nil	Nil		
	Yukon:							
25	Gasoline	9¢ per gallon	Same as 1964	Same as 1964	Same as 1964	11¢ per gallo: (effective Januar		
26	Diesel fuel	9¢ per gallon						
27	Aviation fuel	Nil	Nil	Nil	Nil	Nil		
	Northwest Territories:							
28	Cigarettes	Nil	Nil	Nil	Nil	Nil		
29	Cigars	Nil	Nil	Nil	Nil	Nil		
30	Gasoline	6¢ per gallon	7½¢ per gallon	9¢ per gallon	10¢ per gallon	11¢ per gallon (effective Apri)		
31	Diesel fuel	3¢ per gallon (effective April 1)	3½¢ per gallon (effective April 1)	4¢ per gallon (effective April 1)	6¢ per gallon (effective April 1)	8¢ per gallor (effective April		
32	Aviation fuel	1½¢ per gallon	Same as 1964	Same as 1964	Same as 1964	Same as 196		
				1				

TABLE VI. Historical Summary of the Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1964 to 1974 — Concluded

			20.1 Concluded			
1969	1970	1971	1972	1973	1974	No.
					+	1,400
					15¢	1
Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	18¢	2
				000000113, 1304	Same as October 19,	3
		- Transition	3/5 of 1¢ each	1		1,4
Same as October 19, 1964	Same as October 19, 1964	Same as October 19, 1964	1¢ to 15¢ each	Same as May 1, 1972	Same as	5
			3¢ per ½ oz. (effective May 1)	1, 1912	May 1, 1972	16
	1				1	
Same as March 1, 1968	19¢ per gallon				12¢ per gallon	7
1, 1000	21¢ per gallon	Same as March 3, 1970	Same as March 3, 1970	Same as	16¢ per gallon	8
Same as April 2, 1968	4¢ per gallon (effective March 3)	, 10,0	march 3, 1910	March 3, 1970	Same as March 3, 1970	9
p	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			9/25 of 1¢	1	1 10
. Come as				each, February 9, 1973	Same February 9, 1973	K
Same as March 1, 1968	Same as March 1, 1968	Same as March 1, 1968	Same as March 1, 1968	1 to 4¢ each (effective February 9)		1 11
				Same as	Same as	12
				March 1, 1968	March 1, 1968	
Addison .					10¢ per gallon	13
Same as June 1, 1968	Same as June 1, 1968	Same as June 1, 1968	Same as June 1, 1968	Same as	12¢ per gallon	14
- Employ		7, 1000	ounc 1, 1300	June 1, 1968	Same as June 1, 1968	15
8/25 of 1¢ each	)				, (	( 16
1¢ to 9¢ each	Same as June 30, 1969	Same as June 30, 1969	Same as June 30, 1969	Same as	Same as	17
64¢ per 1b. (effective June 30)	]	ounc 50, 1505	June 30, 1909	June 30, 1969	June 30, 1969	L 18
1		15¢ per gallon	7			19
Same as 1964	Same as 1964	17¢ per gallon	Same as February 5, 1971	Same as February 5, 1971	Same as February 5, 1971	20
		3¢ per gallon (effective February 5)				21
Nil	Nil	8/25 of 1¢ each	7			(22
Nil	Nil	1¢ to 9¢ each	Same as	Same as	Same as	23
Nil	Nil	2¢ per ½ oz.	February 5, 1971	February 5, 1971	February 5, 1971	24
}	ATAA	(effective February 5)	)	1		
Same as	Same as					1 ( 0=
January 23, 1968	January 23, 1968	14¢ per gallon (effective April 1)	Same as 1971	Same as 1971	Same as 1971	25
1			J	16¢ per gallon (effective April 1)	Same as April 1, 1973	26
Nil	Nil	2¢ per gallon (effective April 1)	Same as	Same as	Same as	27
f !		(effective April 1)	April 1, 1971	April 1, 1971	April 1, 1971	
Nil	Nil	Nil	Nil	Nil	8/25 of 1¢ each	28
Nil	Nil	Nil	Nil	Nil	1¢ to 9¢ each	29
12¢ per gallon	Same as 1969	14¢ per gallon	)		(effective April 1)	(30
		(effective April 1)				
:10¢ per gallon Affective April 1)	12¢ per gallon (effective April 1)	15¢ per gallon (effective April 1)	Same as April 1, 1971	Same as April 1, 1971	Same as April 1, 1971	31
Same as 1964	Same as 1964	2½¢ per gallon (effective April 1)				32

TABLE VII. Historical Summary of the Federal Taxes on Alcoholic Beverages and Tobacco Products, 1964 to 1974

	1964	1965 to 1966 inclusive	1967	1968 to 1974 inclusive
1. Beet	Excise duty of 38¢ per gallon	Same as 1964	Increased to 42¢ effective December 1	Same as December 1, 196
2. Spirituous beverages other than Canadian brandy	Excise duty of \$13.00 per proof gallon	Same as 1964	Increased to \$14.25 effective December 1	Same as December 1, 196
3. Canadian brandy	Excise duty of \$11.00 per proof gallon	Same as 1964	Increased to \$12.25 effective December 1	Same as December 1, 196
4. Spirits sold to druggists and used in the preparation of prescriptions	Excise duty of \$1.50 per proof	Same as 1964	Same as 1964	Same as 1964
5. Imported spirits taken into bonded manufactory	Excise duty of 30¢ per proof gallon(in addition to other duties)	Same as 1964	Same as 1964	Same as 1964
6. Wines:  (a) Containing 7% or less of absolute alcohol by volume	Excise tax of 25¢ per gallon	Same as 1964	Increased to 27½¢ effective December 1	Same as December 1, 196
7% of absolute alcohol by volume but not over 40% of proof spirit	Excise tax of 50¢ per gallon	Same as 1964	Increased to 55¢ effective December 1	Same as December 1, 196
(c) Champagne and other sparkling wines	Excise tax of \$2.50 per gallon	Same as 1964	Increased to \$2.55 effective December 1	Same as December 1, 196
7. Cigarettes	Excise tax of 2½¢ per 5 cigarettes plus excise duty of \$4 per 1,000 cigarettes weighing less than 3 lb. per 1,000 or \$5 per 1,000 cigarettes weighing more than 3 lb. per 1,000.	Same as 1964	Increase of excise tax to 3¢ per 5 cigarettes effective December 1	Same as December 1, 196
8. Cigars	Excise tax of 15% plus excise duty of \$2 per 1,000 cigars	Same as 1964	Increase of excise tax to 17½% effective December 1	Same as December 1, 196
9. Manufactured tobacco	Excise tax of 80¢ per lb. plus excise duty of 35¢ per lb.	Same as 1964	Increase of excise tax to 90¢ per lb. effective December 1	Same as December 1, 196
10. Canadian raw leaf tobacco	Excise duty of 10¢ per lb.	Same as 1964	Same as 1964	Same as 1964

Notes: 1. All goods subject to federal excise tax and/or duty are also subject to the federal manufacturers' sales tax; however, while the manufactur sales tax is applicable to excise duty, it is not levied on excise tax.

2. Excise duties and certain excise taxes do not apply to imported commodities; the customs duty rates applicable to imported products are however, to take account of these excises.

# **APPENDIX**

The Minister of Finance brought down a new budget on November 18, 1974. In addition to new proposals, the Minister reintroduced, in the same or amended form, all the proposals of the May 6th budget. The major recommended changes and new proposals are as follows:

- (i) The 5% reduction to personal income is retained, but as of January 1, 1975, to be increased to 8% with a maximum relief of \$750;
- (ii) the exemption from personal income tax for the first \$1,000 of interest income is reintroduced with the provision that it will extend to interest income and/or income from Canadian dividends, as of January 1, 1975;
- (iii) effective January 1, 1975, the first \$1,000 of pension income, other than from universal pension plans, to be exempted from personal income tax;
- (iv) the 30% write-off for expenditures incurred in the exploration of natural resources to be restored to 100% retroactive to May 6;
- (v) the two-year fast write-off provision for new machinery and equipment for Canadian manufacturing and processing concerns which was to expire on December 31, 1974, to be extended indefinitely;
- (vi) capital cost allowance on new, multiple-unit residential buildings for rent to be claimed against any source of income between November 18, 1974 and December 31, 1975;
- (vii) the extra abatement to the provinces of 10% for petroleum profits (over and above the basic abatement of 10% for taxable income earned by corporation in the provinces) is reintroduced and increased so that the federal rate of tax is 30% in 1974, 28% in 1975 and 25% in 1976 and subsequent taxation years;
- (viii) the federal sales tax on transportation equipment including railway cars, large trucks, buses and commercial aircraft to be eliminated;
- (ix) the sales tax of either 11% or 12% on building and construction materials to be reduced to 5%;

- (x) the special excise tax of \$20 on each 100 pounds of automobiles over 4,500 pounds and station wagons over 5,100 pounds is changed from the May 6th proposal to \$20 on the first 100 pounds over these minimum weights, \$25 on the next 100 pounds and \$30 on each subsequent 100 pounds;
- (xi) the special excise tax of 3% on motorcycles with engines larger than 250 c.c., privately-owned aircraft, marine motors larger than 20 h.p., and motor boats for such motors to be increased to 5% for the motorcycles and 10% for the other categories.

All the changes listed under (viii) to (xi) are to be made effective November 18.

The following commodity tax measures contained in the May budget are to be made effective as of November 18.

- (i) Excise duty on spirits increased to \$16.25 per proof gallon from \$14.25, equivalent to 24¢ per 25 oz. bottle.
- (ii) Excise tax on table wine increased to 95¢ per gallon from 55¢, equivalent to 6.5¢ per 25 oz. bottle.
- (iii) Excise tax on sparkling wine increased to \$2.95 per gallon from \$2.55, equivalent to 6.5¢ per 25 oz. bottle.
- (iv) Tax on cigarettes under Excise Act increased to  $2 \frac{1}{2} \phi$  per 5 cigarettes from  $2 \phi$ , equivalent to  $2 \phi$  per pack of 20.
- (v) Tax on tobacco under Excise Act increased to 50¢ per pound from 35¢, equivalent to 15¢ on a one pound tin.
- (vi) Tax on cigars under Excise Tax Act increased to 20.5% from 17.5%, equivalent to less than 3% of the selling price of cigars.

The manuscript of this publication was prepared well in advance of the November 18th budget. As a result, the changes listed above are not incorporated in the related tables.









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# STATISTICS CANADA Public Finance Division

# PRINCIPAL TAXES IN CANADA 1975

Published by Authority of The Minister of Industry, Trade and Commerce

March 1975 4-2101-504

Price: \$1.40



## TABLE OF CONTENTS

	Page
Introduction and General Commentary	5
Federal-Provincial Fiscal Arrangements Act, 1972	6
PART I. Taxes levied by the Federal Government	
Income Taxes	11
Other Important Taxes levied by the Federal Government	12
1975 Changes	13
Table  1. Income Taxes levied by the Federal Government	14 16
PART II. Taxes levied by Provincial Governments	
Income Taxes	21
Table	
<ol> <li>Income Taxes levied by Provincial Governments</li> <li>Capital and Gift Taxes and Succession Duties levied by Provincial Governments</li> </ol>	24 26
Consumption Taxes	28
Table	20
5 A. General Retail Sale Taxes levied by Provincial Governments	30 32
Other Important Levies by Provincial Governments	39
Table	
6. Other Important Levies by Provincial Governments	40
PART III. Taxes levied by Municipal Governments	
Real Property, Business and Special Assessment Taxes	55
Table	
7. Main Aspects of the Real Property Tax	56
PART IV. Historical Tables of Selected Taxes	
Table Table	
I. Personal Income Taxes levied by the Federal Government, 1965 to 1975	62
II. Personal Income Taxes levied by the Province of Quebec, 1965 to 1975  III. Personal Income Taxes levied by the Provinces Other than Quebec, 1965 to 1975	64
IV. Corporation Income Taxes levied by the Federal and Provincial Governments, 1965 to 1975	66
V. General Sales Taxes levied by the Federal and Provincial Governments, 1965 to 1975	68
VI. Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1965 to	
VII. Federal Taxes on Alcoholic Beverages and Tobacco Products, 1965 to 1975	72 76



### INTRODUCTION

This publication presents a summary of the principal taxes levied in Canada during 1975. While in earlier issues these taxes were arranged by type, they are now presented under the level of government which levies them. It is believed that this grouping will facilitate the comparison of taxes levied by governments at the same level. The exposé comprises four parts which are preceded by a general commentary.

Part

I. Taxes levied by the Federal Government

II. Taxes levied by Provincial Governments

III. Taxes levied by Municipal Governments

IV. Historical Tables of Selected Taxes

The principal levies in force as at and changes proposed prior to July 1, 1975, whether or not implemented at that date, are taken into account herein.

#### **GENERAL COMMENTARY**

Canada is a federal state with a central government, ten provincial governments and two territorial administrations. The British North America Act, adopted in 1867, forms the written constitution of the country. Sections 91 and 92 of the Act indicate the distribution of powers between the federal parliament and the provincial legislatures. Under Section 91, the federal parliament was given unlimited taxing powers while, under Section 92, the provincial legislatures were granted the power of relying on "direct taxation within the province in order to the raising of a revenue for provincial purposes".

At that time, the difference between direct and indirect taxation rested principally on a definition of direct taxes formulated by J.S. Mill, namely "A direct tax is one which is demanded from the very person who it is intended or desired should pay it." According to this definition, personal and corporation income taxes as well as succession duties are direct taxes in the most conventional sense of the term. However, other types of direct taxes have been developed over the years, including a large array of sales taxes which are paid by the ultimate purchaser or user of goods and services. As a result, the field of indirect taxation has been gradually narrowed down and presently comprises only a limited number of taxes, e.g., customs duties, excise levies and sales taxes paid at an intermediate stage of marketing, such as the federal sales tax levied on manufacturers.

In addition to the levying of direct taxes, the BNA Act also allows provinces to impose licences, permits, rights and royalties on a wide range of activities taking place within a province. It also empowers provincial legislatures to make laws regarding "municipal institutions in the province". Hence, municipalities derive their incorporation with its associated powers, fiscal and otherwise, from the provincial government concerned.

Succession duties are among the oldest direct taxes levied in Canada since most provinces started to impose successions toward the end of the 19th century. To be in accord with the concept of direct taxation, only the part inherited by a beneficiary can be taxed.

Various court decisions have enlarged the meaning of this concept, however, so as to apply the main duty rate on the aggregate value of the succession and an additional rate on the value of each individual's share. As a result, the duty rate payable on the inheritance received by each heir is the sum of these two rates. The federal government entered this field of taxation in 1941 by establishing an estate tax, which is a tax levied on the entire value of an estate regardless of its distribution among the heirs. The federal estate tax lasted until the end of 1971 when it was abolished.

The federal government started to tax income in 1917, during the First World War, by levying a tax on the income of individuals and corporations, which was called the "Income War Tax" until 1948.

<sup>&</sup>lt;sup>1</sup> J.S. Mill, *Principles of Political Economy*, Book V, Chapter iii.

Among the other levels of government in Canada, it is interesting to note that the city of Montreal was the first to levy an income tax. In 1935 it established this tax at 20% of the federal income tax. Local and provincial income taxes were abolished, however, in 1940 following the Federal-Provincial War Fiscal Arrangements.

Provinces' claims to income taxes reappeared after the Second World War. As a result, federal-provincial fiscal agreements, established mostly for a five-year period, were first implemented in 1952 under the form of tax sharing. These were modified in 1962 by Tax Collection Agreements. Under the latter agreements a given percentage of federal tax otherwise payable was abated in order to allow provincial governments to levy their own income taxes. At the same time, the federal government offered to collect, together with its own income tax, any income taxes that provincial governments would wish to levy. All provinces, except Quebec,

entered into collection agreements with the federal government.

With the advent of the modified Income Tax Act of 1972, the abatement mechanism was abandoned except under the form of fiscal compensations for provinces accepting the "opting-out" proposal in respect of a number of shared-cost federal-provincial programs. Only Quebec accepted the opting-out proposal. The fiscal compensation granted to Quebec, which in 1967 amounted to 22% of "basic tax", was adjusted to 24% in 1972 in keeping with the new determination of the base following the tax reform. Under the present fiscal arrangements, provincial personal income tax (except Quebec's income tax) is expressed as a percentage of federal tax whose rates have been established in a way as to replace the former abatements. The abatement system has been maintained regarding the corporation income tax and amounts, for all provinces, to 10% of corporation taxable income earned in a province as determined by the federal government for its own tax.

#### FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT, 1972

The modifications brought to the Income Tax Act in 1972, usually referred to as "The Federal Income Tax Reform", were described in the 1972 issue of this publication. An important measure governing federal-provincial fiscal relations was also amended and revised at that time, namely the "Federal-Provincial Fiscal Arrangements Act, 1972". A description of this Act and the Regulations made pursuant to it is given below. The Act, assented to March 29, 1972, comprises seven parts:

#### Part

- I. Provincial Revenue Equalization Payments
- II. Provincial Revenue Stabilization Payments
- III. Tax Collection Agreements
- IV. Provincial Tax Revenue Guarantee Payments
- V. Transfer Payments with Respect to Tax on 1971 Undistributed Income on Hand
- VI. Post-secondary Education Adjustment Payments VII. General.

A brief summary of each part follows, except Part VII which pertains to administrative matters.

#### **Provincial Revenue Equalization Payments**

The equalization program, as it is now known, was established in 1967 and revised in 1972. This revision, however, did not modify the basic philosophy: the redistribution of part of the nation's wealth among the

provinces. From its general revenue the federal government compensates any province whose per capita revenue is below the national average for reasons of a relative deficiency in its tax base. Thus, equalization payments are intended to ensure that all citizens are provided with reasonable standards of public services throughout the country.

According to the formula set out in the Federal-Provincial Fiscal Arrangements Act, 1972 and amendments, provincial revenue subject to equalization is divided into 20 revenue sources and for each of them an economic revenue base is defined uniformly for all provinces.

To determine the amount of equalization to which a provincial government is entitled, the province's population as a proportion of the all provinces' population and the province's revenue base as a proportion of the all provinces' revenue base for each of the 20 revenue sources are calculated. Where the former proportion is higher than the latter for any of the revenue sources, the province is said to have a fiscal capacity deficiency for that revenue source; if the magnitude of these proportions is reversed, the province is said to have a fiscal capacity excess. The total revenue of all provinces for each revenue source is multiplied by each province's respective fiscal capacity related to the appropriate revenue source and for any province, the amount of equalization payable is the sum total of the "deficiency" products less the sum total of the "excess" products.

Since the beginning of this program in 1967, seven of the ten provinces have received equalization payments: Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Manitoba and Saskatchewan.

### Provincial Revenue Stabilization Payments

Through the stabilization formula the federal government ensures that a province's total net revenue will not be less than its immediately preceding year's net revenue if the rates and structure of its taxes remain unchanged during the two years involved. Prior to 1972, a province's revenue had to fall below 95% of its previous year's revenue to be entitled to a stabilization payment. The purpose of this program is to provide a minimum fiscal stability to the provinces, i.e., a floor under which provincial revenue cannot drop. To date no stabilization payments have been made.

#### **Tax Collection Agreements**

Tax Collection Agreements, replacing the taxsharing system in operation since 1952, were introduced in 1962 under the Federal-Provincial Arrangements Act, 1962. According to these agreements, the federal government undertook to collect for the provinces their personal and corporation income taxes. All provinces, Quebec excepted, signed the agreements in respect of personal income tax, and all provinces, except Quebec and Ontario, in respect of corporation income tax.

An abatement system, introduced in 1962 and amended in 1967, facilitated the establishment by the provinces of their own tax rates. Under this system, the abatement was deducted in determining the federal personal income tax payable and the amount of this deduction plus any additional tax imposed by the province constituted the provincial personal income tax payable. The abatement was set, in 1967, at 28% of federal "basic tax" for personal income tax and at 10% of the taxable income of corporations for corporation income tax.

The 1967 Act was amended in 1972 in order to adjust the terms of the agreements to the Tax Reform Act introduced in 1971. The abatement system was then abandoned and the federal rates of personal income tax were adjusted downward for the full amount of the former provincial abatement. This downward adjustment corresponded to 30.5% of "basic federal tax" and is equivalent to the former 28% abatement. The provincial governments are free to specify a percentage rate, above or below 30.5%, and thereby determine the weights of their own personal income tax. They can also determine the weight of their corporation income tax by establishing percentage rates different from the federal abatement of 10%.

### Provincial Tax Revenue Guarantee Payments

Following the implementation of the Tax Reform Act in 1972, the federal government provided a guarantee that for five years the provinces would not suffer a loss of personal and corporation income tax revenue as a result of adopting income tax acts modelled on the new federal act, provided that their rates are equivalent to those levied under their previous acts. Provincial personal income tax revenue is guaranteed at a yield level equal to that obtained through the projection of 1971 rates on an economic basis as determined in the related Regulations for each province. The calculation of revenue guarantee applicable to provincial corporation income tax revenue is made through an analysis of each corporation's income tax returns.

# Transfer Payments with respect to Tax on 1971 Undistributed Income on Hand

Prior to the Income Tax Act reform, corporations could, in lieu of paying normal taxable dividends, elect to prepay, at a special rate of 15%, the shareholders' tax on earnings retained in the corporation. Such tax-paid earnings could then be distributed to shareholders free of tax. This provision was maintained in Part IX of the revised Income Tax Act for income earned prior to tax reform. Part V of the Federal-Provincial Fiscal Arrangements Act, 1972, ensures that the provinces receive a share of this prepaid tax, when tax-paid earnings are remitted to shareholders, through transfer payments from the federal government corresponding to 20% of the tax it had already collected.

#### Post-secondary Education Adjustment Payments

Part VI of the Federal-Provincial Fiscal Arrangements Act, 1972 extended for two years, i.e., until March 31, 1974, the provisions of the 1967 Act concerning federal contributions to the provinces in respect of post-secondary education. An amendment introduced in November 1973 further extended these arrangements to March 31, 1977 to coincide with the expiry date of the 1972 Act.

Under this program, the federal government finances the operating costs of the provinces' post-secondary education on the basis of either 50% of such costs or through a per capita grant of \$15 which is escalated by the year-over-year growth in the post-secondary education operating costs of all provinces. Total federal contributions are, however, subject to a ceiling of 15% annual increase. The \$15 per capita grant is more favourable to the 50% sharing for the provinces of Newfoundland, Prince Edward Island and New Brunswick.

As indicated earlier, fiscal arrangements are usually established for a five-year period, thus the present ones will end in March 1977. Part of these agreements are

either amended or adjusted in order to take into account changing conditions. Payments to the provinces under this Act are indicated below for fiscal year 1974-75.

# Payments to the Provinces pursuant to the Federal-Provincial Fiscal Arrangements Act, 1972 1974-75

Part I. Equalization	\$'000 1,800,294
II. Stabilization	-
III Tay callactions	
Personal income tax	3,241,075 719,437
IV. Tax revenue guarantee:  Personal income tax	418,549 56,640
V. Tax on 1971 undistributed income on hand	16,822
VI. Post-secondary education adjustments	498,720
Total payments	4,951,243

#### **NOTE**

In the tables of this publication, the statutory authority under which taxes are levied at the federal and provincial levels of government is provided. The proper name of the statute or revised statute is followed by the year of the statute or revised statute, its chapter, and a statement as to whether there have been subsequent amendments, i.e., Excise Tax Act; R.S.C. 1970, c. E13 and amendments.

## PART I

TAXES LEVIED BY THE FEDERAL GOVERNMENT



#### TAXES LEVIED BY THE FEDERAL GOVERNMENT

The federal government levies a variety of taxes which apply throughout Canada. The principal of these:

income, sales and excise taxes, excise and custom duties and petroleum export charges, are dealt with below.

#### **Income Taxes**

Under Part 1 of the Income Tax Act, the federal government levies a tax on the taxable income of individuals and corporations resident in Canada, whether this income is derived from sources inside or outside the country. It also levies a tax on the taxable income of non-residents which is earned in Canada either from employment or from business carried on within Canada or from a gain on disposal of taxable Canadian property. Canada has entered into income tax conventions with several countries to avoid double taxation of the same income and to prevent fiscal evasion.

#### Personal Income Tax

For tax purposes, the determination of the income of individuals is made in three successive steps: the declaration of total income, the computation of net income and the determination of taxable income.

Total income of individuals includes earnings from the following sources:

- (a) Income from office or employment, i.e., salaries, wages, gratuities, commissions, benefits from employment, personal or living expenses, fees and allocations under profit sharing plans.
- (b) Income (or loss) from business or property, i.e., profits, interest, payments based on production or use (royalties or rents), dividends, partnership income, benefits from estates and employees profit sharing plans.
- (c) One half of realized capital gains or incurred losses.
- (d) Other sources of income, such as pension and unemployment insurance benefits, retiring allowances, death benefits, alimony, maintenance payments, annuity payments, adult training allowance, scholarships, bursaries, research grants and family allowances.

From the total income, certain deductions are permitted to determine the net income of individuals. These include the capital element of annuity payment, alimony and maintenance payments, tuition fees, contributions to a pension plan, deferred profit sharing plan, registered retirement savings plan, registered homeownership savings plan, education savings plan, income averaging annuity contract, moving and child care expenses, depletion, exploration and development ex-

penses, and employment expenses to the lesser of 3% of employment income or \$150.

To arrive at taxable income, personal exemptions and deductions, as set out in Table 1, are applied to the composite of net income from all sources. The exemption of \$1,000 interest income from Canadian sources, introduced in 1974, will also apply to Canadian dividend income as of January 1, 1975. Also effective at the same date is the exemption of the first \$1,000 of pension receipts, other than from universal pension plans. Finally, the tax reduction introduced for the taxation year 1973 at the rate of 5% of personal income tax liability, with a maximum relief of \$500, subsequently raised to 8% and \$750 for the 1974 taxation year, was retained in the June 1975 budget, but the maximum relief was reduced to \$500.

More details about personal income tax rates, exemptions and deductions are given in Table 1. As may be noted therein, income levels in each rate brackets are 10.1% higher than in 1974 as a result of a comparable increase in the consumer price index.

#### **Corporation Income Tax**

For taxation purposes, income of corporations includes all returns derived from carrying on business or from holding property. Among such returns are operating profits, investment earnings (e.g., interests, dividends, rents and royalties) and gains resulting from the disposal of capital property. Expenses and outlays necessary to earn a particular type of income are subtracted from the relevant return as well as specified deductions to determine the taxable income of corporations. Taxable capital gains are the net difference between one half of realized capital gains and one half of related capital losses.

In its 1975 budget, the federal government introduced a tax credit of 5% against specified investments made, during the period June 24, 1975 and July 1, 1977, in new buildings, machinery and equipment for use in Canada. This credit has a five-year carry forward provision and is limited, in any one year, to \$15,000 plus one half of federal tax liability in excess of that amount. The budget also provided an exemption from non-resident withholding tax for interest on long-term

corporate bonds, debentures and other debt securities, including mortgages, issued after June 23, 1975 and before December 31, 1978. Effective January 1, 1976, the 50% rate of federal tax on resource production profits and the 15% abatement will be replaced by the 46% rate generally applicable to corporations. A resource allowance of 25% will be deductible, however, from production income.

Rates of corporation income taxes are set out in Table 1. There is also in the same table a brief description of special taxes levied under the Income Tax Act, namely taxes on taxable dividends received by private corporations, on investment income of life insurers, on income from Canada of non-residents, and additional taxes on earnings of Canadian branches of foreign corporations.

#### Other Important Taxes levied by the Federal Government

Table 2 sets out in detail the nature and the rates of other major taxes levied by the federal government, such as the consumption or sales tax, excise taxes and duties, customs duties and the petroleum export charge.

#### Consumption or Sales Tax

Under Part V of the Excise Tax Act, the federal government levies a tax (usually referred to as the manufacturers' sale tax) on the value of all goods produced in, or imported into Canada unless there is a specific exemption mentioned in the Act. For goods produced in Canada, the taxable value is the selling price of the manufacturer or the purchase price of a licensed wholesaler. Where goods are imported the tax is levied on the duty-paid-value of the goods. On most commodities, the rate is 12%; it is 5% on a wide range of building and construction materials. The latter was removed completely on insulation materials, such as double-pane glass, storm windows and doors, as of June 23, 1975. A list of goods which are either fully or partially exempt is given in Table 2. Luxury articles, specified in Schedules I and II to the Act, normally bear both the excise duty and the sales tax.

#### **Excise Tax**

The provisions of the Excise Tax Act also apply to specific commodities, transactions or activities. For instance, a tax on foreign insurance premiums is levied pursuant to Part I and on air transportation under Part II. A number of goods specified in Schedules I and II of Part III are also taxed. Whenever such goods are imported into Canada, taken out of a warehouse or manufactured in Canada and delivered to a purchaser, the excise tax is based on the duty-paid-value when imported, and on the sale or delivered price when made in Canada. The excise tax does not apply to exported goods.

#### **Excise Duties**

Under the Excise Act, the federal government levies duties upon the domestic production of tobacco

and alcoholic products other than wines. The difference between the excise tax and the excise duty resides in the fact that goods subject to the latter are carried on in bonded premises where they come under the control of the Crown until the duty is paid and is evidenced by a stamp or an approved imprint placed on the article. For similar imported products, the excise duty to be paid is included in the customs duty rates applicable.

#### **Customs Duties**

The federal government imposes customs duties on most imported commodities under the authority of the Customs Tariff; R.S.C. 1970, c. C41 and amendments. Imported articles are classified under various categories and a rate is fixed for each category, which is either a specific rate, i.e., so much per given quantity or volume, or an ad valorem rate, i.e., a percentage of the dutiable value of imported goods. This value is generally the fair market value in the country of export.

There are three categories of rates: (a) British preferential, which are the lowest, (b) most favoured nation, established under special agreements with various countries and (c) general, which apply to imports from all other countries not covered by (a) and (b).

The tariff schedules are too lengthy and complex to be reproduced in this publication. Rates pertaining to particular items may be obtained upon request from Revenue Canada, Customs and Excise.

#### Petroleum Export Charge

The oil export tax introduced in October 1973 and levied pursuant to the Excise Act has been replaced by a petroleum export charge levied under the authority of the **Petroleum Administration Act**, assented to June 19, 1975. Rates and types of petroleum products subject to this charge are indicated in Table 2.

#### 1975 Changes

A number of changes were made in the abovementioned taxes in 1975. The most important, as announced in the federal budget of June 23, 1975, are as follows:

- (a) The air transportation tax was increased to 8% from 5% (maximum tax: \$8) effective August 1, 1975, on flights between Canada and the United States (except Hawaii) and between Canada and the Islands of St. Pierre and Miquelon. The tax on flights to other countries was raised to \$8 from \$5.
- (b) Effective June 24, 1975, a special excise tax of 10¢ a gallon started to be levied on gasoline for personal use. It is payable by producers and importers of gasoline. On the basis of certificates submitted to Revenue Canada, the tax paid on gasoline used for farming, fishing, construction, mining and most commercial transportation will be refunded.
- (c) The duty-free entry for petroleum products was extended to June 30, 1977, and that for aircraft and aircraft engines of a kind not made in Canada, to June 30, 1976.

## TABLE 1. Income Taxes levied by the Federal Government

Personal income tax	Income Tax Act (Part I) S.C. 1970-71-72 c. 63 and amendments.
1. Statutory authority	
2. Basis	Taxable income of residents and taxable income earned in Canada of non-residents.
3. Rate	Personal income tax schedule:  9% on the first \$587 of taxable income  \$ 53 on \$ 587 plus 18% on next \$ 587  158 " 1,174 " 19% " " 1,174  382 " 2,348 " 20% " " 1,174  616 " 3,522 " 21% " " 2,348  1,109 " 5,870 " 23% " " 2,348  1,649 " 8,218 " 25% " " 2,348  2,236 " 10,566 " 27% " " 2,348  2,236 " 10,566 " 27% " " 2,348  2,870 " 12,914 " 31% " " 3,522  3,962 " 16,436 " 35% " " 11,740  8,071 " 28,176 " 39% " " 17,610  14,939 " 45,786 " 43% " 24,654  25,540 " 70,440 " 47% " excess.
4. Personal exemptions	Married taxpayer \$3 Single taxpayer 1 Dependant child under 16 years of age Other dependants (as defined by law) Taxpayer aged 65 years or over (transferable to spouse) 1
5. Deductions	Charitable donations up to 20% of income.
	Gifts to the federal or provincial governments.  Medical expenses in excess of 3% of net income.
	An optional standard deduction of \$100 in lieu of claiming charitable donations and medical expenses.
	\$1,174 for blind persons or persons confined to a bed or wheelchair.  Payments of supplement under Old Age Security Act.
	\$50 for each month in attendance at a post-secondary institution for students and/or supporting individual
	Interest and Canadian dividend income up to \$1,000. \$1,000 for pension income other than from universal pension plans.
	Non-capital losses sustained in any of the five preceding years, net capital losses up to the amount of taxable gains (maximum of \$1,000 may be deducted from other sources of income) and restricted farm to of prior years to the extent of farm income.
6. Tax reductions and credits	General averaging when income exceeds 120% of average income of the preceding four years or 110' income for the immediately preceding year.
	Averaging for farmers or fishermen for a block of five years.  24% tax abatement for income earned in Quebec in compensation for the province's opting-out of ce shared-cost programs.
	A general 8% reduction of tax payable with a minimum of \$200 and a maximum of \$500.  A credit for dividends from Canadian corporations. (The amount of dividends received is increased 33 1/3 % and added to income and 20 % of the "grossed up" dividend is allowed as a credit against tax.)
	An inter vivos trust (other than mutual fund trust) established after June 17, 1971 which is taxed at the gr of 39% or rates applicable to individuals.
	A foreign tax credit applicable to foreign non-business income and income from business carried on in a fo country.
	A logging tax credit which is the lesser of 2/3 of logging taxes paid to a province or 6 2/3% of income logging operations.
	A portion of political contributions to registered parties and candidates up to a maximum of \$500.
7. Surtax	30% on income not earned in a province which applies to income earned in the Yukon and North Territories or business income earned in another country.
Corporation income tax	
8. Statutory authority	Income Tax Act; Part I.
9. Basis	Taxable income of residents and taxable income earned in Canada of non-residents.
10. Rate	General rate: 47%. Resource production profits: 50%.
11. Deductions	Charitable donations up to 20% of income.
	Gifts to the federal or provincial governments.  Non-capital losses sustained in any of the five preceding years, net capital losses and restricted farm loss prior years to the extent of a corporation's net capital gain and farm income respectively.  Taxable dividends from a taxable Canadian corporation and from a controlled subsidiary resident in Ca with certain minor exceptions. (Dividends received from non-resident or foreign corporations are generally deductible.)

## TABLE 1. Income Taxes levied by the Federal Government - Concluded

	- Concluded
Corporation income tax — Concluded	
2. Tax reductions and credits	. 10% abatement of taxable income earned in a province. 15% for mineral production profits. 12% for oil and gas production profits. 22% for Canadian-controlled private corporations on first \$100,000 of active business income per year to the overall limit of \$500,000. 7% on manufacturing and processing profits. Foreign tax credit. Logging tax credit. Political contributions tax credit. 5% investment tax credit applicable to new buildings, machinery and equipment acquired between June 24 and July 1, 1977.
3. Surtax	10% on corporate profits carned from May 1, 1974 to April 30, 1975 (does not apply to investment, mortgage investment, mutual fund, non-resident-owned investment corporations or investment income of private corporations, manufacturing, processing petroleum or mining profits and Canadian-controlled private companies).
. Special rules	Private corporation: A refund of 25% of corporate taxes paid in respect of Canadian investment income and foreign investment income (other than dividends) when taxable dividends are paid to shareholders.  Investment corporation: Investment income qualifies for 25% reduction in normal corporate rates. Realized capital gains are taxed at normal corporate rates (refundable when gains are distributed to shareholders as capital gains dividends).  Dividends from taxable Canadian corporations are exempt.
Tax on taxable dividends received by private corporations	
. Statutory authority	Income Tax Act; Part IV.
Basis	Private corporations' taxable dividends.
. Rate	33 1/3% (refundable when taxable dividends are paid).
Tax on 1971 undistributed income on hand	
Statutory authority	Income Tax Act; Part IX.
Basis	
Rate	
Tax on investment income of life insurers	
Statutory authority	Income Tax Act; Part XII.
Basis	Investment income of life insurers.
Rate	
Tax on income from Canada of non-resident persons	
	Income Tax Act; Part XIII.
Basis	(a) Amounts paid to a non-resident:  General rate on management fees, interest, trust income, rents, royalties, alimony, patronage dividends and pension payments.
	(b) Dividends paid by a corporation having a degree of Canadian ownership (25% of voting equity stock) and on rentals of motion picture films and TV tapes.
Rates ,	(a) 15% (b) 10%
Exemptions	Interest on certain bonds issued or guaranteed by the government of Canada or on certain obligations issued before December 20, 1960.  Interest on certain corporate debt securities issued after June 23, 1975 and before December 31, 1978.  Dividends or interest payable by a non-resident-owned investment corporation.  Copyrights,  Payments to holder of a certificate of exemption.
Additional tax on non-Canadian corporations carrying on business in Canada	
Statutory authority	Income Tax Act; Part XIV.
Basis	Canadian branch earnings (after taxes).
Rate	
	entransport to state the same of the same

## TABLE 2. Other Important Taxes levied by the Federal Government

Consumption or sales tax	
1. Statutory authority	Excise Tax Act (Part V) R.S.C. 1970, c. E13 and amendments.
2. Basis	Manufacturers' selling price or duty paid value of imports.
3. Rate	General rate: 12%. Schedule IV: 6%. Schedule V: 5%.
4. Comments	Schedule III full exempt articles include: Covering and containers; diplomatic articles; educational material; farm and forest products; fuel delectricity; health material; marine and fisheries items; mines and quarries material; municipalit production equipment, processing materials and plans; clothing and footwear; construction equipment transportation equipment and other miscellaneous items including insulation materials.  Schedule IV partially exempt articles include: Articles manufactured by the mentally or physically handicapped.  Schedule V partially exempt articles include: Construction materials and equipment for buildings.
Insurance premiums other than marine	
5. Statutory authority	Excise Tax Act (Part I) R.S.C. 1970, c. E13 and amendments.
6. Basis	Premiums in respect of insurance effected outside Canada.
7. Rate	10% of the net premium paid.
8. Comments	Does not apply to insurance against life, personal accident, sickness, marine risk or nuclear risk.
Air transportation tax	
9. Statutory authority	Excise Tax Act (Part II) R.S.C. 1970, c. E13 and amendments.
10. Basis and rate	Value of air transportation paid on: Domestic flights 5% (maximum Continental U.S.A., St. Pierre and Miquelon 8% (maximum All other international flights
Special excise tax	
11. Statutory authority	Excise Tax Act (Parts III and IV) R.S.C. 1970, c. E13 and amendments.
12. Basis and rate	Part III, articles enumerated in Schedule I:       10 d per unit         Lighters       10 d ad valor         Amusement devices       10 % ad valor         Smokers accessories       10 % " "         Cigars       20 d % " "         Matches       10 % " "         Clocks and watches (portion over \$50)       10 % " "         Jewellery, precious or semi-precious stones       10 % " "         Automobiles:       \$20         4,500-4,600 lb. (portion)       25         each 100 lb. greater than 4,700       30         Station wagons and vans:       \$20         \$,100-\$,200 lb. (portion)       \$20         \$,200-\$,300 lb. (portion)       25         each 100 lb. greater than 5,300       30         Motorcycle (displacement greater than 250 c.c.)       5 %         Boats and motors exceeding 20 h.p.       10 %         Private aircraft       10 %         Gasoline       10 ¢ per gallon

## TABLE 2. Other Important Taxes levied by the Federal Government — Concluded

Special excise tax - Concluded		
2. Basis and rate	Part III, articles enumerated in Schedule II: Cigarettes Tobacco-manufactured  Part IV: Playing cards Wines (excluding imports. Custom duties on imports are set to take into account the taxes levied on domestic production of wines): Wine containing 7% or less alcohol Nonsparkling wines containing more than 7% alcohol but not over 40% proof spirit Champagne and all other sparkling wines Additional levy (applied to domestic and imported wines): Wines containing 7% or less alcohol Wines containing more than 7% alcohol	3¢ per 5 90¢ per pound 20¢ per pack  25¢ per gallon 50¢ " " \$2.50 " " 2.5¢ " "
Excise duties		
3. Statutory authority	Excise Act; R.S.C. 1970, c. E12 and amendments.	
A. Basis and rate	(a) Spirits:  Domestic potable spirits on the strength of proof distilled in Canada Non-potable spirits used in the manufacture of:  Medicines, extracts, pharmaceutical preparations, etc. Approved chemical compositions Spirit sold to druggist for preparation of prescriptions Imported spirits taken into bonded manufactory, in addition to other duties Canadian brandies Beer  (b) Tobacco — On domestic production:  Manufactured tobacco excluding cigarettes Cigarettes weighing not more than 3 lb. per 1,000 Cigarettes weighing more than 3 lb. per 1,000 Cigars  Canadian raw leaf tobacco when sold for consumption	\$16.25 per gallon  1.50 " " 15¢ " " \$1.50 " " 30¢ " " \$1.4.25 " 42¢ " "  50¢ per pound \$5.00 per 1,000 6.00 " " 2.00 " "
5. Comments	(a) These duties do not apply to spirits used to treat domestic wine or in the many cosmetics.  (b) Imported tobacco products are not subject to excise duties but the custom duties include an element in respect of excise.	
Custom import duties		
i. Statutory authority	Custom Tariff Act; R.S.C. 1970, c. C41 and amendments.	
'. Basis and rate	Either ad valorem duty which is based on a percentage of the value of goods imported under the following categories:  (a) British preferential (lowest).  (b) Most favored nation (under special agreement with various countries).  (c) General (apply to all other imports).	or specific rates apply
} Comments	The tariff schedules are too lengthy and complicated to be summarized here.  The rates applicable to a particular item may be obtained from Revenue Canada, Custom	s and Excise.
Petroleum export charge		
. Statutory authority	Petroleum Administration Act; S.C. 1975, c. 47.	
. Basis and rate	Oil products exported as of July 1975:  Light and medium crude oil Selected crude less than 28 A.P.I. Lloydminster type crude Condensate Motor gasoline Middle distillate Heavy fuel oil	4.20 " " 4.70 " " 4.25 " "



## PART II

TAXES LEVIED BY PROVINCIAL GOVERNMENTS



### TAXES LEVIED BY PROVINCIAL GOVERNMENTS

The principal taxes at the provincial level are examined under three headings: income taxes, consump-

tion taxes and other important levies.

#### **Income Taxes**

In addition to personal and corporation income taxes, some provincial governments levy capital and gift taxes. Although not an income tax, but rather a tax on wealth, succession duties levied by a number of provinces are dealt with under this heading.

#### Personal Income Tax

All provincial governments levy a tax on the income of individuals who reside in or, in the case of non-residents, who earn an income from sources within provincial boundaries. The period of residence within a province does not matter since residence on the last day of a taxation year is sufficient to be taxable on total income (other than business income) regardless of the

location of its sources. Business income is allocated among the permanent establishments outside the province of residence and the residual is attributable to that province. The rates applicable for each province (as set out in Table 3) are expressed as percentages of "basic federal tax" with the exception of Quebec. As already mentioned, the federal government, pursuant to Tax Collection Agreements, collects provincial personal income tax (Quebec excepted) according to the rates established under provincial statutes.

The province of Quebec has its own personal income tax system which differs from that of the federal government. The main differences between the two systems in 1975 are as follows:

	Persona	l income tax
	Quebec	Canada \$
Consumer price indexation	no	ves
Taxable income of \$2,000 or less	no tax	taxed
Personal exemptions:		
Single taxpayer	1,600	1,878
Married taxpayer Taxpayer 65 or over	3,500	3,522
Dependent child eligible for family allowances	1,000 no	1,174 352
Supplementary family allowance benefit per annum:  First child	39.72 53.04 66.24 79.44	none
Special deduction allowed to the blind and invalids	1,000	1,174
Maximum deduction of employment expenditure	500	150
Amount that a taxpayers' spouse can earn without affecting his personal exemption	500	352
Tax reduction: Minimum \$200, maximum \$500 %	_	8

The 1975 Quebec budget introduced a number of changes in the provincial personal income tax. Personal exemptions were raised, as of January 1, 1975, from \$1,500 to \$1,600 for single taxpayers and from \$2,850 to \$3,500 for married taxpayers. The income tax on the first \$2,000 of taxable income was abolished and the graduated rates of 11% to 14% for taxable income ranging between \$2,000 and \$9,000 were replaced by a uniform rate of 16%. The former tax relief provided to single and married taxpayers, whose income did not exceed \$2,600 and \$5,200 respectively, was abandoned since the new income tax measures described above

exempt from taxation a total income of \$3,931 for a single taxpayer and of \$5,957 for a married taxpayer. In addition, the maximum amount of the deduction applicable to employment expense was increased from \$150 to \$500 as of January 1, 1975. Also effective the same date, the exemption applicable to the first \$1,000 interest income from Canadian sources will include Canadian dividend income, and to the first \$1,000 pension receipts, other than from universal pension

<sup>&</sup>lt;sup>1</sup> The basic federal tax is the amount computed according to the graduated rate schedule appearing on page 14.

plans, will be transferable to the spouse. These two last changes bring the Quebec treatment of such income in conformity with that of the federal income tax.

The other provinces to make personal income tax changes in 1975 were Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. Ontario adjusted its income tax so that persons who pay no federal income tax by virtue of the federal reduction of 8% will not have to pay the provincial income tax. Also, these persons will not be required to reduce their tax credits by 2% of any taxable income they may have. Manitoba raised the maximum and the minimum amounts that can be claimed against personal income tax in respect of property taxes to \$300 from \$250 and to \$175 from \$150 respectively. It also increased to 3% from 2% of total personal exemptions, less 1% of taxable income, the tax credit related to the cost of living. Finally, Manitoba introduced a new program of municipal assistance for the 1975 taxation year through personal and corporation income taxes. According to this program, two points of personal income tax and one point of corporation income tax will be abated to municipalities and these abatements will be identified as municipal income taxes on 1975 income tax returns. In subsequent years, municipalities would be free to raise their income tax rates. The provincial government will act, at municipalities' request, as a collecting agent for municipal income taxes. Saskatchewan reduced income tax liabilities for all taxpayers by a uniform amount of \$100 so as to ensure that persons paying no federal tax on account of the 8% reduction will have no provincial tax to pay. In Alberta the income tax reduction comprises two parts: (1) a lowering of the provincial rate from 36% to 26% and (2) an additional reduction for taxpayers having a taxable income below \$4,000. The reduction will be the lesser of provincial tax payable or \$80 minus 2% of taxable income. The Alberta Income Tax Act will also be amended so as to provide a provincial personal income tax refund on royalties and other payments to governments and a personal tax credit based on petroleum and natural gas royalties paid to Alberta which an individual is required to include in his income for income tax purposes. In addition, Alberta expanded its renters' assistance credit, which operates through the income tax system, by broadening the eligibility and setting a minimum benefit for most eligible renters at \$50. British Columbia modified its Renter Grant Program to a Renter Tax Credit by tying it to personal income instead of paying directly a uniform grant to all renters. For 1975, the credit to be claimed against personal income tax will amount to \$100 less 1% of taxable income, with no credit exceeding 10% of the rent paid in 1975. There is, however, a minimum credit of \$80 for renters aged 65 and over. Finally, New Brunswick announced in its budget of March 1975 a 2% reduction of its personal income tax to be effective on January 1, 1976.

#### **Corporation Income Tax**

All provinces levy a tax on corporation taxable income derived from activities carried on within their jurisdiction. In provinces other than Quebec and Ontario, the provincial corporation income tax is levied on the same base as that established for federal corporation income tax purposes and is collected by the federal government under Tax Collection Agreements. In Quebec and Ontario, the determination of corporation taxable income follows closely, but not exactly, the federal rules; the two provinces collect their own tax.

Six of the ten provinces brought changes to their corporation income tax in 1975. Quebec further extended to March 31, 1977 (from March 31, 1975) its tax credits for corporations investing a large part of their profits in plants manufacturing new technological products and goods not yet produced in Quebec or for exportation. It also extended for an indefinite period (from March 31, 1975), the fast write-off for investment in machinery and equipment in the manufacturing sector and in anti-pollution equipment. Furthermore, changes concerning mining companies were announced, namely a removal of the tax exemption on mining duties and the replacement of the automatic depletion allowance by an "earned" depletion of \$1 for each \$3 of allowable expenditure.

In Ontario, the \$3,000 annual limit of the tax credit allowed to Canadian-controlled private corporations qualifying for the federal small business deduction was doubled to \$6,000. A capital-cost-allowance on new, multiple-unit residential rental buildings, started between November 18, 1974 and December 31, 1975, may be claimed against any source of income by the first or any subsequent owners of such buildings. In addition, various changes to the capital-cost-allowance provisions were made, such as the extension of the fast write-off of machinery and equipment used in manufacturing and processing activities to December 31, 1977 and of pollution control equipment to December 31, 1976. It also reduced from 1 1/2% to 1% the tax-free reserves of financial institutions on their eligible assets over \$2 billion. Finally, Ontario's Corporation Tax Act will be amended to bring it into line with the federal income tax provisions related to international income, corporate reorganizations and rollovers. Manitoba announced changes in its corporation income tax in respect of resource companies whereby tax rates applicable to mining and oil companies were increased to 28% and 25% respectively. However, a compensation system will be introduced to reduce taxes on account of the non-deductibility of royalties for federal tax purposes. This reduction will amount to 15% of the extra tax paid as a result of non-deductibility in the case of mining companies and to the full rate of 25% of federal tax paid on non-deductible royalty payments in the case of oil companies. Saskatchewan indicated its intention to make royalty payments deductible for all resource

companies from its own tax, retroactive to May 6, 1974, and will amend accordingly its Income Tax Act. Two tax measures concerning resource companies have been implemented in Alberta retroactively to the 1974 taxation year. The first measure consists of a refund to companies dealing with petroleum, natural gas and related hydrocarbons, having a permanent establishment in Alberta, equivalent to the additional amounts of income tax revenue accruing to Alberta as a result of the non-deductible payments of royalties from corporation income in the determination of taxable income under the federal Income Tax Act. The amount of that refund in a given year cannot, however, exceed corporation income tax payable to Alberta. The second measure concerns a royalty tax credit against Alberta corporate income tax payable and/or a cash refund amounting to the lesser of (a) 30% of royalties payable to the province in the taxation year where the deduction of such royalties was not allowed in computing taxable income, and (b) \$1,000,000 to corporations paying oil and/or gas royalties to Alberta. Finally, British Columbia increased its general corporation income tax rate, as of January 1, 1975, from 12% to 13%, and reduced it for small businesses from 12% to 10%. It also proposed to rebate the additional provincial corporation income tax revenue brought about by the non-deductible royalty payments under the federal Income Tax Act.

Provincial personal and corporation income tax rates are set out in Table 3, as well as relevant details.

#### **Capital Taxes**

Three provinces: Ontario, British Columbia and Quebec, levy a tax on the paid-up capital of corporations operating within their boundaries. Paid-up capital broadly includes share capital, surplus, long- and certain short-term debts, and reserves except for depreciation, depletion and doubtful debts. In Ontario, the rate is 1/5 of 1% on the paid-up capital of corporations, with a minimum tax of \$50. As of January 1, 1975, British Columbia increased its rate to 1/5 of 1% from 1/10 of 1%; corporations having less than \$100,000 in taxable paid-up capital are exempt. Quebec levies, under the Taxation Act, two types of taxes: a tax on paid-up capital of corporations and a tax on places of business. The rate of the first is 1/5 of 1% of paid-up capital, minimum tax payable: \$20. On places of business, the tax is \$50 for companies whose paid-up capital exceeds \$25,000 and \$25 when the latter is below \$25,000. In all three provinces there are special provisions and rates for specified companies, such as telecommunications companies, banks and other financial establishments.

Rates and description of these taxes are given in Table 4.

#### Gift Taxes and Succession Duties

Five provinces are presently levying gift taxes and succession duties: Quebec, Ontario, Manitoba, Saskatchewan and British Columbia. The gift tax is levied on the aggregate taxable value of gifts made by a donor resident in a province as well as a gift of real property situated within a province made by a donor who is not a resident in the province. This tax actually complements succession duties in the sense that gifts made within a specified period of time prior to death are taken into account for succession duty purposes. The period is five years in Quebec and Ontario and three years in Manitoba, Saskatchewan and British Columbia. While tax rates on gifts inter vivos are the same in all provinces, succession duty rates as well as criteria used to determine the rates applicable to a succession vary among them. All provinces have special provisions taking into consideration the degree of relationship of the beneficiary to the deceased.

Effective January 1, 1975, Manitoba and Saskatchewan began to collect their own succession duties which were formerly collected by the federal government. Quebec, Ontario and British Columbia have been collecting their own succession duties since the inception of their system. When the federal government withdrew from the gift tax field in 1972, all five provinces entered the field, with only Quebec collecting its gift tax and the other provinces having it collected by the federal government. This responsibility will be transferred, however, to the provinces on October 31, 1975.

Quebec and Ontario brought some modifications to their gift tax in 1975. The former increased the exemption concerning gifts made to the spouse from \$5,000 to \$15,000 and for other donees, from \$2,000 to \$3,000. Ontario raised the basic exemption per gift from \$2,000 to \$5,000. Also, the annual total of exempt gifts was increased to \$25,000 from \$10,000 and the special once-in-a-lifetime gift exemption for farming assets from \$50,000 to \$75,000. This latter provision was also extended to small family businesses. As far as succession duties are concerned, three of the five provinces levying such duties modified some of their exemptions as of January 1, 1975. Ontario increased the non-taxable aggregate value of successions from \$150,000 to \$250,000. The exemption for preferred beneficiaries was increased from \$150,000 to \$200,000 in Manitoba and from \$200,000 to \$250,000 in Saskatchewan. In addition, the latter province raised the exemption for a spouse to \$250,000 from \$50,000, and for collateral successors to \$50,000 from \$35,000.

Rates of gift taxes and succession duties are summarized in Table 4.

TABLE 3. Income Taxes levied by Provincial Governments

TABLE 3. Income Taxes levied by Provincial Governments									
No.	Category	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec			
1	Personal income tax Statutory authority.	The Income Tax Act; R.S.N. 1970, c. 163.	The Income Tax Act; 1961 (2nd session), c. 1 and amendments.	The Income Tax Act; R.S.N.S. 1967, c. 134 and amendments.	The Income Tax Act; R.S.N.B. 1973, c. I-2.	The Taxation Act; S.Q. 1972, c. 23 and ames ments.			
2	Basis	Basic federal tax.	Basic federal tax.	Basic federal tax.	Basic federal tax.	Taxable income of individuals.			
3	Rate	40%	36%	38.5%	41.5%	0% on first \$2,000 of taxable income  0 on \$2,000 plus 16% on next \$7,0 \$1,120 " 9,000 " 18% " " 2,0 1,480 " 11,000 " 20% " " 3,0 2,080 " 14,000 " 22% " " 10,0 4,280 " 24,000 " 24% " " 15,0 7,880 " 39,000 " 26% " " 21,0 13,340 " 60,000 " 28% on excess			
4	Comments	-	_	_	-	In addition a special tax of 8/10 of 1% is levied net income under the authority of the Hea Insurance Act (1970, c. 37 and amendmen This tax is subject to a maximum of \$125 il least 3/4 of net income is made up of salary at to a maximum of \$200 in other cases.			
	Corporation income tax								
5		The Income Tax Act; R.S.N. 1970. c. 163.	The Income Tax Act; 1961 (2nd, session), c. 1 and amendments.	The Income Tax Act; R.S.N.S. 1967, c. 134 and amendments.	The Income Tax Act; R.S.N.B. 1973, c. I-2.	The Taxation Act; S.Q. 1972, c. 23 and ame ments.			
6	Basis	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.			
	Rate	13%	10%	10%	10%	12%			
8	Comments	-	-	_	-	-			

TABLE 3. Income Taxes levied by Provincial Governments

TABLE 3. Income Taxes levied by Provincial Governments								
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	No			
The Income Tax Act; S.B.C. 1962, c. 27 and amendments.	The Income Tax Act (Manitoba); R.S.M. 1970, c. I10 and amendments.	The Income Tax Act; R.S.S. 1965, c. 62 and amendments.	The Alberta Income Tax Act; R.S.A. 1970, c. 182 and amendments.	The Income Tax Act; S.B.C. 1962, c. 27 and amendments.	1			
Basic federal tax.	Basic federal tax.	Basic federal tax.	Basic federal tax,	Basic federal tax,	2			
30.5%	42.5%	40%	26%	30.5%	3			
A tax credit which is the aggregate of: a) Property tax credit (lesser of \$180 or occupancy cost, plus 10% of occupancy cost). b) Sales tax credit (1% of personal exemptions). c) Pensioner tax credit (\$110 for each person age 65 or over). Less 2% of taxable income. Maximum credit of \$500.) ndividuals whose Ontario income tax does not exceed \$61 are exempt.	A property tax credit which is the lesser of:  (a) \$300 less 1% of taxable income (minimum \$175).  (b) Total property taxes or 20% of total rental payments.  A cost of living tax credit which is: 3% of personal exemptions less 1% of taxable income.	A tax reduction which is the lesser of the tax payable or \$100.	A renter credit which is:  (a) \$90 plus 2% of total rent payments less 1/2 of 1% of taxable income.  (b) 20% of rent paid less 1/2 of 1% of taxable income, when the total rent is less than \$500.  The minimum credit is the lesser of \$50 or 20% of total rent paid.  A reduction of the lesser of provincial tax payable or \$80 minus 2% of taxable income, when taxable income is below \$4,000.	A renter credit of \$100 minus 1% of taxable income, for individuals with gross income under \$15,000.  Maximum credit 10% of annual rent. Minimum credit \$80 for senior citizens.	4			
The Corporations Tax Act; S.O. 1972, c. 143 and amendments.	The Income Tax Act (Manitoba); R.S.M. 1970, c. 110 and amendments.	The Income Tax Act; R.S.S. 1965, c. 62 and amendments.	The Alberta Income Tax Act; R.S.A. 1970, c. 182 and amendments.	The Income Tax Act; S.B.C. 1962, c. 27 and amendments.	5			
Caxable income earned in the province.	Taxable income earned in the province,	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income carned in the province.	6			
12%	13%	12%	11%	13%/10%	7			
				The 10% rate is applicable to small businesses.	8			

TABLE 4. Capital and Gift Taxes and Succession Duties levied by Provincial Governments

	Category	New- found-	Prince Edward	Nova Scotia	New Bruns- wick	Quebec	Ontario
No.		land	Island		Wiok		
	Capital tax					The Taxation Act S.Q. 1972 c. 23 and amend-	The Corporations Tax Act; S.O. 1972, c. 14
1	Statutory authority	-	_	_	_	ments.	amendments.  Paid-up capital of corporations.
2	Basis	_	-	_	_	<ul><li>(a) Paid-up capital of corporations.</li><li>(b) Places of business in Province.</li><li>(c) Inoperative corporations.</li></ul>	Tain-up capital of cosposations
3	Rates	_	_	_	-	(a) 1/5 of 1%. (b) \$50 (\$25 when paid-up capital is less than \$25,000). (c) \$20.	1/5 of 1%.
4	Comments	_	_	_	_	Other rates and/or bases of taxation apply to certain classes of corporations i.e., banks, loans, telegraph, railway, gasoline, liquor, investment, mining.  A special tax in the form of an additional 1/3 of 1% is levied on telephone and oil refining corporations paid-up capital.	There is a minimum tax of \$50. A special applies to banks.
	Gift tax						
5	Statutory authority	_	_	_	-	The Taxation Act; S.Q. 1972, c. 23 and amendments.	The Gift Tax Act; S.O. 1972, c. 12.
6	Basis		_	_	-	Aggregate taxable value of gifts made in the year.	Aggregate taxable value of gifts made in the ye
7	Rates	_	-	-	_	15% on the first \$25,000   \$ 3,750 on \$ 25,000 plus 20% on next \$25,000   8,750 " 50,000 " 25% " " 25,000   15,000 " 75,000 " 30% " 25,000   22,500 " 100,000 " 35% " " 25,000   31,250 " 125,000 " 40% " 25,000   41,250 " 150,000 " 45% " " 25,000   63,750 " 200,000 " 55% on remainder	15% on the first \$25,000   \$3,750 on \$25,000 plus 20% on next \$: 8,750 " 50,000 " 25% " " : 15,000 " 75,000 " 30% " " : 22,500 " 100,000 " 35% " " : 31,250 " 125,000 " 40% " " : 41,250 " 150,000 " 45% " " : 63,750 " 200,000 " 50% on remaind
8	Exemptions	-	_	_	_	Testamentary gifts and gifts taking effect on the death of the donor.  Gifts to Canadian charitable organizations or to any government in Canada.  Gifts up to \$15,000 a year to a spouse. Gifts up to \$3,000 a year to any other donee with an aggregate annual maximum of \$15,000.  Once-in-a-lifetime deduction of \$75,000 for any farmer making an inter vivos gift of his land or other farm property to one or more of his children.	Testamentary gifts and gifts taking effect death of the donor.  Gifts to Canadian charitable organizations or government in Canada.  All gifts to a spouse without limitation as to a Gifts up to \$5,000 a year to any other with an aggregate annual maximum of \$5.  Exemption of \$75,000 for a gift of f assets or the shares of a Canadian family-small active business corporation.
9	Comments	-	_	-	_	-	-
	Succession duties						7
10	Statutory authority	481	_	-	-	The Succession Duties Act; R.S.Q. 1964; c. 70 and amendments.	The Succession Duty Act; R.S.O. 1970, c. 4 amendments.
1	Basis	_	-		-	<ul><li>(a) Aggregate value of succession.</li><li>(b) Share of each individual's inheritance.</li></ul>	(a) Aggregate value of succession. (b) Share of each individual's inheritance.
1	2 Rates	-	-	-	_	(a) On estate:  Direct line - 5% to 15%.  Collateral line - 4% to 20%.  Strangers - 10% to 30%.  (b) On individual's share in estate:  Direct line - 1% to 10%.  Collateral line - 1.4% to 10%.  Strangers - 2% to 5%.	(a) On estate:  Preferred line – 11% to 28%.  Collateral line – 24% to 34%.  Strangers – 35% to 70%.  (b) On individual's share in estate:  Preferred line – 6.5% to 30%.  Collateral line – 8.5% to 26%.  Strangers – Nil.
1	3 Exemptions				_	\$150,000 if estate is transmitted to direct line beneficiary. \$10,000 if estate is transmitted to collaterals or strangers.  Amounts derived from contributions towards a pension plan and reimbursements of contributions toward such a plan.  Bequests to Canadian charitable organizations. \$1,000 if transmitted to employee of deceased.	Estates passing to a surviving spouse.  An additional \$3,000 for each full year dependant child is under 26 years of age additional \$6,000 for each full year.
	14 Comments			-	-	Total rate applied to the individual's share is th sum of (a) and (b).	e The total rate applied to the individual's she sum of (a) and (b).

TABLE 4. Capital and Gift Taxes and Succession Duties levied by Provincial Governments

TABLE 4. Capital and Gift Taxes and Succession Duties levied by Provincial Governments							
Manitoba	Saskatchewan	Alberta	British Columbia	l No.			
		1		140.			
-	~~	***	The Corporation Capital Tax Act; S.B.C. 1973, c. 24 and amendments.	1			
Allena	_	_	Paid-up capital of corporations.	2			
-		-	1/5 of 1%.	3			
-		_	Exemptions include: corporations with paid-up capital under \$100,000; corporations exempt under the Income Tax Act (Canada); credit unions, cooperatives and family farms.				
The Gift Tax Act; S.M. 1972, c. 12 G55.	The Gift Tax Act; S.S. 1972, c. 48.	_	The Gift Tax Act; S.B.C. 1972, c. 23.	5			
Aggregate taxable value of gifts made in the year.	Aggregate taxable value of gifts made in the year.	_	Aggregate taxable value of gifts made in the year.	6			
15% on the first \$25,000 \$ 3,750 on \$ 25,000 plus 20% on next \$25,000 8,750 " 50,000 " 25% " " 25,000 15,000 " 75,000 " 30% " " 25,000 22,500 " 100,000 " 35% " " 25,000 41,250 " 125,000 " 40% " " 25,000 41,250 " 150,000 " 45% " " 50,000 63,750 " 200,000 " 50% on remainder	8,750 " 50,000 " 25% " " 25,000 15,000 " 75,000 " 30% " 25,000 22,500 " 100,000 " 35% " " 25,000 31,250 " 125,000 " 40% " " 25,000	-	15% on the first \$25,000 \$ 3,750 on \$ 25,000 plus 20% on next \$25,000 8,750 " 50,000 " 25% " " 25,000 15,000 " 75,000 " 30% " " 25,000 22,500 " 100,000 " 35% " " 25,000 31,250 " 125,000 " 40% " " 25,000 41,250 " 150,000 " 45% " " 50,000 63,750 " 200,000 " 50% on remainder	7			
Testamentary gifts and gifts taking effect on the death of the donor.  Gifts to Canadian charitable organizations or to any government in Canada.  Gifts up to \$5,000 a year to a spouse and up to \$2,000 a year to any other donee with an aggregate annual maximum of \$15,000.	death of the donor.	-	Testamentary gifts and gifts taking effect on the death of the donor.  Gifts to charitable organizations and to any government in Canada.  Gifts up to \$10,000 a year to a spouse and gifts to any other donee up to \$2,000 a year with an aggregate annual maximum of \$10,000.  Once-in-a-lifetime exemption of up to \$10,000 in respect of an interest in real property to a child if such property is to be used in farming operations.	8			
-	-	_	-	1 9			
The Succession Duty Act; S.M. 1972, c. S215.	The Succession Duty Act; S.S. 1972, c. 124.		The Succession Duty Act; S.B.C. 1960, c. 27 and	10			
Aggregate value of succession.	Aggregate value of succession.	-	amendments.  Aggregate value of succession.	11			
On individual's share in estate: Preferred line -21.27% to 50%. Collateral line - 14% to 50%. Strangers - 14% to 50%.	On individual's share in estate: Preferred line – 27.56% to 50%. Collateral line – 15.93% to 50%. Strangers – 15.93% to 50%.	_	On individual's share in estate: Special beneficiaries – 10% to 36%. Collateral line – 8% to 38%. Strangers – 134% to 40%.	12			
Estates valued at \$50,000 or less.	Factor 1 4 875 000 1		In	112			
\$200,000 if estate is transmitted to preferred successors. \$50,000 special exemption for spouse.  An additional \$1,000 for each year that an infirm child is under 71 years of age.  Up to \$25,000 for collateral successors to the extent that the \$150,000 preferred successors exemption has not been fully "used up".  Charitable bequests - up to 20% of the aggregate value of property passing at death or 50% of the aggregate net value of such bequests or any unused portion of the \$150,000 preferred successors exemption.  Bequests to Canadian charitable organizations and to any governments in Canada.  Survivor benefits under the Canada and Quebec Pension Plans.  Individual bequests of \$1,000 or less.	Estates valued at \$75,000 or less.  \$250,000 if estate is transmitted to preferred successors.  \$250,000 special exemptions for spouse.  An additional \$1,000 for each year that an infirm child is under 71 years of age.  Up to \$50,000 for collateral successors to the extent that the \$150,000 preferred successors exemption has not been fully "used up".  Bequests to Canadian charitable organizations and to any government in Canada.  Survivor benefits under the Canada and Quebec Pension Plans.  Individual bequests of \$2,000 or less.	-	Estates valued at \$10,000 or less. \$125,000 if estate is transferred to special beneficiaries plus additional exemptions for family home of any value, insurance up to \$25,000, annuity or pension payments up to \$250 a month. (In no event can the exemption for this class be less than \$150,000.) \$25,000 if property is transmitted to collateral beneficiaries.  Individual bequests of \$1,000 or less. \$1,000 if transmitted to employee of deceased.  Charitable bequests up to \$100 or net value of estate.  Bequest to the provincial or local governments.	13			
The rate schedule is incremental therefore the effective rate of tax will be less than the maximum marginal rate.	The rate schedule is incremental therefore the effective rate of tax will be less than the maximum marginal rate.			14			

#### **Consumption Taxes**

This category of taxes is mainly levied in Canada by provincial governments. Taxes that are borne or paid by the ultimate purchaser of goods and services either for consumption or use are generally referred to as consumption taxes. The most important of these are retail sales, motive fuel, tobacco, meals and lodging taxes. Taxes on certain services are also included, such as telephone and telecommunications taxes.

#### Retail Sales Tax

All provinces, except Alberta, tax at the retail level a wide range of consumer goods and services purchased in or brought into the province. Under the various provincial Acts the ultimate consumer must pay a tax on the fair market value of tangible personal property purchased for consumption or use and not for resale. Each Act, however, specifies a number of articles which are exempt. These exemptions relate mainly to the necessities of life and material used in the farming and fishery industries. Table 5 A gives a list of the main exemptions as well as the rates prevailing in each province in 1975.

The main changes introduced in provincial sales taxation in 1975 were as follows:

- (a) New Brunswick removed the sales tax on laundry and dry cleaning, effective March 22, 1975.
- (b) Quebec increased the exemption for small sales from 15¢ to 25¢ effective April 17, 1975, and extended the exemption for industrial machinery to March 31, 1977.
- (c) Ontario reduced the sales tax rate from 7% to 5%, for the period April 7 to December 31, 1975. Production and construction machinery and equipment ordered between April 8, 1975 and December 31, 1976 are exempt from tax. Also exempt are returnable milk containers and vessels not exceeding 500 tons gross. An exemption was also granted to non-profit organizations staging live performances on labour and overhead costs related to the production for their own use of stage sets, props and costumes. However, the tax applies to the materials they purchase for such production and to the rental price of these articles.

Under Supplementary Actions to its 1975 budget, presented July 7, 1975, Ontario announced a rebate of the 5% sales tax on North American built passenger cars having less than a 460 cubic inch engine, if registered between July 7 and December 31, 1975.

- (d) Manitoba exempted returnable containers purchased by farmers and fishermen as of June 1, 1975.
- (e) Saskatchewan eliminated the tax on meals, books and reading material, effective April 1, 1975.

#### Motive and Other Fuel Taxes

All provinces and territories impose a tax on fuels purchased within their boundaries. For the purpose of taxation, fuels generally include motive fuels, heating fuel and fuel used for operating a stationary engine. Fuels used in certain types of activities such as farming, fishing, mining or logging are either exempt, allowed a rebate for a portion of the tax paid or are taxed at a lower rate. Changes announced for 1975 were as follows:

- (a) As of April 8, Ontario eliminated the gasoline and diesel fuel tax for some categories of industrial uses, e.g., manufacturing, mining, forestry and construction; of commercial activities such as railways, and of institutions, namely hospitals and schools.
- (b) Effective May 19, 1975 Manitoba increased its tax per gallon from 15¢ to 18¢ on gasoline, from 18¢ to 21¢ on diesel fuel and from 2¢ to 3¢ on aviation fuel.
- (c) British Columbia raised its tax on all motive fuels by  $2\phi$  per gallon as of February 28, 1975.

#### **Tobacco Taxes**

A tax on sales of cigarettes, cigars and other tobacco products is levied in each province and, since 1974, in both the Yukon and Northwest Territories. Prince Edward Island was the sole province to modify this tax in 1975 by raising its levy on cigarettes from 2/5 to 4/5 of 1¢ per cigarette.

#### Meals and Lodging Tax

All provinces tax prepared meals whose price is over a specified amount, except Alberta and British Columbia, and transient accommodations, except Alberta. The taxation of these services comes under the retail sales tax acts except in Quebec, where it is under the Meals and Hotels Tax Act, and British Columbia, the Hotel and Motel Room Tax Act. Quebec raised, as of April 17, 1975, the minimum amount of meals exempt to \$2 from \$1.49.

#### Telephone and Telecommunications

In every province (except Alberta) local telephone services are taxed under their respective retail sales tax acts. In many cases, these acts also include long distance calls and other telecommunications, except Quebec who taxes these services under the Telecommunications Tax Act and Nova Scotia, under the Corporation Tax Act.

#### Taxes on Alcoholic Beverages

Provincial governments derive substantial amounts of revenue through the sale of alcoholic beverages by provincial agencies operating as boards or commissions which exercise monopolistic control over the distribu-

tion of these products. The markups of these liquor boards and agencies are established in a way that constitutes effectively a kind of taxation. The markups are not publicized and thus are not reported in this publication.<sup>2</sup> In certain provinces beer and/or wine are sold by private retailers as well as by liquor board or commission outlets. However, private retailers have to pay licences and fees which are usually established in a way so as to correspond, to a certain extent, to a government mark-up.

Sales to individual consumers by provincial liquor boards or commissions are taxed under the retail sales tax acts in most provinces, at the same rates as those prevailing for general retail sales with the exception of Ontario and Manitoba where the rate is 10% (5% on

Canadian beer in Manitoba). Licensees, i.e., owners of establishments where alcoholic beverages can be sold for on-premises consumption, do not pay the sales tax on their purchases, but act as collecting agents for the tax paid by the ultimate consumer either consumed with meals or otherwise in their establishments. In Quebec, this latter tax is levied under the Meals and Hotels Tax Act at a rate of 8%. In Prince Edward Island a tax of 10% is levied under the Health Tax Act, in addition to the 8% sale tax, on the retail price of all sales of alcoholic beverages made through provincial government liquor stores to both individuals and licensees. On-premises consumption in licensees' establishments is not taxed. The Yukon Territory imposes a surcharge on all liquor purchased at a government liquor store.

Rates and details of the above-described consumption taxes, other than the general sales tax, are given in Table 5 B.

<sup>&</sup>lt;sup>2</sup> For information on the revenue derived by the provinces from the sale of alcoholic beverages, refer to *The Control and Sale of Alcoholic Beverages in Canada*, Catalogue 63-202.

	TABLE 5 A. General Retail Sale Taxes levied by Provincial Governments									
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec				
	Statutory authority	Retail Sales Tax Act; S.N. 1972, 56 and amendments.	The Revenue Tax Act; S.P.E.I. 1960, c. 36 and amendments.	Health Services Tax Act; R.S.N.S. 1967, c. 126 and amend- ments.	Social Services and Education Tax Act; R.S.N.B. 1973, c. S10.	Retail Sales Tax Ac R.S.Q. 1964, c. 73 and amendments.				
2	Basis	Purchase price of tan- gible personal property and service.	Purchase price of goods consumed.	Purchase price of tan- gible personal pro- perty.	Purchase price of tan- gible personal pro- perty.	Purchase price and rer of movable property				
2	Rate	8%	8%	7%	8%	8%				
3 4	Taxable services	Accommodation; telephone; telecommunication; electricity, natural and manufactured gas; construction or rental of tangible personal property; repairs of real or personal property;	Accommodation; tele- phone service; repair and installation la- bour; dry cleaning services.	Transient accommodation; telephone service; electricity.	Accommodation; tele- phone and telecom- munication services; repairs.	Telephone, gas, electric ty; repairs.				
		dry cleaning.								
5	Exemptions: Food	Food, hospital prepared meals, natural water.	Food and food products for human consumption (except confections); prepared meals (\$2 or less); soft drinks; natural water.	Food and food prod- ucts for human con- sumption (except confections and soft drinks); prepared meals (\$3 or less); natural water.	Food and food products for human consumption (except confections and soft drinks); prepared meals (\$2 or less); natural water.	Foodstuffs (except ca dies and soft drinks beer; weak cider; n tural water; prepan meals (\$2 or less).				
6	Clothing	Children's clothing and footwear.	Clothing including fa- brics and acces- sories; footwear.	Clothing and footwear.	Clothing and footwear.	Children's clothing an footwear.				
7	Farming	Repairs to tractors; farm equipment and machinery; livestock or livestock pro- ducts; plants; feed; seed; fertilizer; chemical controls.	Farm implements; machinery and supplies; livestock; plants; feed; seed; fertilizer; chemical controls.	Farm implements; ma- chinery and sup- plies; plants; feed; seed; fertilizer; chemical controls; drainage tiles.	Farm implements; ma- chinery and sup- plies; plants; feed; seed; fertilizer; chemical controls; drainage tiles.	Farmers merchandi: farm implements; m chinery and suppli feed; seed; fert zer; chemical cc trols; drainage tiles.				
8	Commercial fishing	Boats; equipment; apparatus and supplies; vessels (not exceeding 300 tons gross).	Boats; equipment and apparatus.	Boats; equipment and apparatus.	Boats; equipment and apparatus.	Boats; equipment and: paratus.				
Ş	Fuel	Gasoline: wood; fur- nace fuel; stove oil; fuel oil, gas and coal for manufacturing; electricity.	Gasoline; coal; coke; diesel fuel; stove oil; fuel oil; firewood; electricity; natural and manufactured gas.	Gasoline; coke; coal; fuel oil; natural and propane gas; fire- wood.	Gasoline and fuel oil; coal; coke; fire-wood; electricity; natural and manufactured gas.	Gasoline; kerosene a fuel oil; coal; fi wood; propane gas manufacturing.				
10	Health	Medicaments on prescription; X-ray pictures and plates on prescription or health appliances.	Medicaments; health appliances; house- hold cleaning and first aid supplies; hygienic supplies.	Medicaments; health appliances; tooth-paste; baby's needs; personal hygiene supplies.	Drugs and medicaments on doctor's prescrip- tion; health applian- ces,	Medicaments on doctor prescription; hea appliances.				
1	Educational and published materials			School supplies; certain books and periodicals.	Classroom supplies; certain books, peri- odicals; microfilm; photocopy.	Classroom supplies a printed books and riodicals.				
12	Production, machinery and processing material	Certain companies pur- chase of machinery, equipment, plant and material.	Machinery, apparatus, goods for manufacture; clay; sand; gravel; unfinished stone.	Machinery, apparatus; materials; clay; sand; gravel and un- finished stone. Anti- pollution equipment and devices.	and parts; ingredi- ents; clay; sand; gra- vel and unfinished	fected April 1, 15 to March 31, 197				
1	Transportation equipment	Certain aircraft; vessels of more than 300 tons gross; railway rolling stock; motor vehicles under spe- cific conditions.	vessels or boats.	Certain boats; aircraft; railway rolling stock; Indians' motor vehicles and snowmobile.	Certain boats; aircraft and railway rolling stock.					
1	4 Miscellaneous	Sales under 8¢. Certain household goods and equipment; securities; olympic coins; containers trailers for resident in Labrador; certain companies purchase.	caskets; ships stores; tobacco.	Sales under 26¢ (other than cigarettes and cigars); funeral case kets; settlers' effect. Olympic coins.		ties; money; tobac				
1	5 Comments		Liquor is not taxed under this Act since it is taxed when sold through a liquor store under the Health Tax Act (see Table 5 B).		Special rate of 2% for mobile homes.	-				

TABLE 5 A. General Retail Sale Taxes levied by Provincial Governments

	TABLE 5 A. General Retail Sale	Taxes levied by Provincial Government	nts	
Ontario	Manitoba	Saskatchewan	British Columbia	No.
The Retail Sales Tax Act: R.S.O. 1970, a 415 and amendments.	c. The Revenue Tax Act; R.S.M. 1970, c. R150.	The Education and Health Tax Act. R.S.S. 1965, c. 66 and amendments.	The Social Services Tax Act; R.S.B.C. 1960, c. 361 and amendments.	-
turchase price of tangible personal proper ty and taxable service.	Purchase price of tangible personal property or service.	Purchase price of tangible personal property or taxable service.	Purchase price of tangible personal property.	2
5%	5%	5%	5%	1 2
ransient accommodation; telephone ser vice including long distance, telegraph natural and manufactured gas; fixture rented separately from real property	and other telecommunications; re-	other telecommunications: electrici-	Telephone, electricity; natural or manu-	1 3 4
ood products for human consumptior (except confections and soft drinks) prepared meals (\$4 or less); natura water, liquor, beer or wine for special occasions.	or less): natural water	Prepared meals; natural water.	Food products for human consumption: prepared meals; confection; soft drinks; draught beer, natural water.	5
potwear (less than \$30); children's clothing; used clothing and footwear (under \$50).		_	Children's clothing and footwear; used clothing and footwear.	6
ricultural products including livestock; farm equipment, implements and supplies; plants; feed; seed; fertiliser; chemical controls.	Farm horses; farm implements; machin- ery and parts; plants; feed; seed; fertilizer; chemical controls.	Agricultural products including live- stock; farm machinery, implements and supplies; plants; feed; seed; fertilizer; grain; chemical controls.	Farm implements; machinery, parts, supplies; livestock; plants; feed; seed; fertilizer; grain; chemical controls.	7
rats; equipment and apparatus,	Boats; equipment and apparatus.	Equipment.	Boats; equipment and apparatus.	8
soline; coal; coke; wood; natural gas; electricity.	Certain gasoline; motive fuel; natural or manufactured gas; coal, wood.	Fuel, petroleum products; liquefied gases for heating; coal; wood; domestic fuel oil; electricity for heating.	Gasoline; coal; coke; fuel oil: motive fuel; wood fuel.	9
ugs and medicine on prescription; health appliances and personal hygiene items; household cleaning items.	Drugs and medicaments; health appliances; personal hygiene items.	Certain drugs and medicines; health appliances; dentures.	Medicaments on prescription; health appliances.	10
ssroom and student supplies; certain books; periodicals.	Books and periodicals.	Books and periodicals; certain phonograph records; bibles, etc.	School supplies; certain books; periodicals.	11
cessing materials and physical ingredients; soil; clay; sand; gravel and unfinished stone; capital works of municipality; production and construction equipment under certain conditions.	Goods for manufacture,	Goods for manufacture; clay; earth.	Goods for manufacture.	12
tain aircrafts and buses; vessels of more than 500 tons; railway rolling stock; street flushers, sweepers and fire- fighting vehicles.	Certain aircraft; railway rolling stock.	-	Vessels of more than 500 gross tons.	13
s under 21¢ except draught beer. Certain works of art; uncancellable stamps; money; equipment purchased by a religious institution, trapper or advertiser; tobacco products; animals sold for household pets; settlers' effects; eturnable milk containers; certain rosts for stage performance.	Sales under 26¢ (except liquor); stamps; money; safety equipment; ships stores; settlers' effects; used furniture (less than \$25); amusement; tobacco.	Sales under 15¢; money; stamps; matches; goods taxed under another Act; tobacco; settlers' el- fects.	Sales under 15¢. Ships' stores to commercial vessels over 500 gross tons. X-ray pictures; settlers' effects, containers and labels.	14
nial rate of 1000	Liquor subject to a special rate of 10%.	-	-	15

TABLE 5 B. Other Consumption Taxes levied by Provincial Governments								
Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec				
The Gasoline Tax Act; R.S.N. 1970, c. 47 and amendments. The Fuel Oil Tax Act; R.S.N. 1970, c. 145.	The Gasoline Tax Act; S.P.E.I. 1971, c. 15 and amendments.	Gasoline and Diesel Oil Tax Act; R.S.N.S. 1967, c. 116 and amendments.	Gasoline and Motive Fuel Tax Act; R.S.N.B. 1973, c. G3.	Fuel Tax Act; S.Q. 1972 c. 30 and amend ments.				
Per gallon.  Motor fuel — 25¢.  Fuel oil — 1¢.	Per gallon.  Gasoline — 21¢.  Diesel fuel — 25¢.	Per gallon.  Gasoline fuel — 21¢.  Diesel fuel — 27¢.  Aviation fuel — 3¢.	Per gallon.  Gasoline – 20¢.  Diesel fuel – 23¢.  Aviation fuel – 3¢.	Per gallon.  Gasoline — 19¢.  Diesel fuel — 25¢.  Aviation fuel — 3¢.				
development.  Exemptions for fuel oil used for domestic purposes or by vessels (except pleasure boats, tugs, dredges and scows), manufacturing plants, com-		designed for fire- fighting, road building or off-highway use. It may also be used in	cleaning of fabrics, in stationary engines, in the operation of motor boats and snowmobiles, in trac- tors other than truck tractors when such vehicles are not used on public highways or					
	Newfoundland  The Gasoline Tax Act; R.S.N. 1970, c. 47 and amendments.  The Fuel Oil Tax Act; R.S.N. 1970, c. 145.  Per gallon.  Motor fuel — 25¢. Fuel oil — 1¢.  Exemptions for gasoline used by governments, by foreign diplomats, in aircraft, in motorized equipment (other than trucks and automobiles) used for agricultural or logging purposes, in sawmills, in fish processing plants, in certain manufacturing plants, in vessels and boats used in trade, in electrical power generating plants, in household appliances, as household fuel, and for mineral exploration and pre-production development.  Exemptions for fuel oil used for domestic purposes or by vessels (except pleasure boats, tugs, dredges and scows), manufacturing plants, commercial buildings, and	Per gallon.  Motor fuel — 25¢. Fuel oil — 1¢.  Exemptions for gasoline used by governments, by foreign diplomats, in aircraft, in motorized equipment (other than trucks and automobiles) used for agricultural or logging purposes, in sawmills, in fish processing plants, in certain manufacturing plants, in vessels and boats used in trade, in electrical power generating plants, in household appliances, as household fuel, and for mineral exploration and pre-production development.  Exemptions for gasoline Gasoline — 21¢. Diesel fuel — 25¢.  Exemptions for aviation fuel, fuel used in off-shore fishing fleets, and marked gasoline. Marked gasoline may be purchased by the foderal government, farmers, commercial fishermen, and owners and operators of stationary engines or certain sport establishments.  Exemptions for aviation fuel, fuel used in off-shore fishing fleets, and marked gasoline. Marked gasoline may be purchased by the foderal government, farmers, commercial fishermen, and owners and operators of stationary engines or certain sport establishments.  Exemptions for aviation fuel, fuel used in off-shore fishing fleets, and marked gasoline. Marked gasoline may be purchased by the foderal government, farmers, commercial fishermen, and owners and operators of stationary engines or certain sport establishments.	The Gasoline Tax Act; R.S.N. 1970, c. 47 and amendments.  The Fuel Oil Tax Act; R.S.N. 1970, c. 145.  Per gallon.  Motor fuel — 25¢. Fuel oil — 1¢.  Diesel fuel — 25¢. Diesel fuel — 25¢.  Fuel oil — 1¢.  Exemptions for gasoline used by governments, in aircraft, in motorized equipment (other than trucks and automobiles) used for agricultural or logging purposes, in samills, in fish processing plants, in certain manufacturing plants, in vessels and boats used in trade, in electrical power generating plants, in vessels and boats used in trade, in electrical power generating plants, in certain manufacturing plants, in vessels and boats used in trade, in electrical power generating plants, in contain the power generating plants, in household appliances, as household fuel, and for mineral exploration and pre-production development.  Exemptions for fuel oil used for domestic purposes or by vessels (except pleasure boats, tugs, dredges and scows), manufacturing plants, commercial buildings, and	The Gasoline Tax Act; R.S.N. 1970, c. 47 and amendments.  The Fuel Oil Tax Act; R.S.N. 1970, c. 145.  Per gallon.  Motor fuel - 256. Fuel oil - 14.  Diesel fuel - 256. Fuel oil - 16.  Exemptions for gasoline used by governments, in aircraft, in motor ized equipment (other than trucks and automobiles) used for agricultural or logging plants, in processing plants, in certain manufacturing plants, in exessing plants, in exemption for distinction and pre-production development.  Exemptions for gasoline and mendments.  Per gallon.  Gasoline and Diesel Oil Tax Act; R.S.N.S. 1967, c. 116 and amendments.  Per gallon.  Gasoline davel; R.S.N.B. 1973, c. G3.  Per gallon.  Gasoline - 216. Diesel fuel - 276. Aviation fuel - 346.  Exemption for marked gasoline may be used in vehicles of the used in vehicles of the fuel and owners and operators plants, in certain manufacturing plants, in lousel for instance of stationary engines or certain sport establishments.  Exemptions for fuel used for afficiency in farming operation of marked gasoline may be used in vehicles of the used for lighting or heating, in farming operation of the purchased by the used in vehicles of the used in vehicle				

TABLE 5 B. Other Consumption Taxes levied by Provincial Governments								
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No	
The Gasoline Tax Act; S.O. 1973, c. 99. The Motor Vehicle Fuel Tax Act; R.S.O. 1970, c. 282 and amendments.	The Gasoline Tax Act; R.S.M. 1970, c. G40 and amend- ments, The Motive Fuel Tax Act; R.S.M. 1970, c. M220 and amendments.	The Fuel Petroleum Products Act; R.S.S. 1965, c. 67 and amendments.	The Fuel Oil Tax Act; R.S.A. 1970, c. 153 and amend- ments.	Gasoline Tax Act; 1958, R.S.B.C. 1960, c. 163 and amendments. Coloured Gasoline Tax Act; R.S.B.C. 1960, c. 63 and amendments. Motive Fuel Use Tax Act; R.S.B.C. 1960, c. 251 and amendments. Fuel Oil Tax Act; R.S.B.C. 1960, c. 158 and amendments.	Fuel Oil Tax Ordinance; O.Y.T. 1973, c. Fl 1 and amendments.	Petroleum Products Tax Ordinance: R.O.N.T. 1974, c. P-6.	1	
er gallon.	Per gallon.	Per gallon.	Per gallon.	Per gallon.	Per gallon.	Per gallon.	1 2	
asoline — 19¢, iesel fuel — 25¢. viation fuel — 3¢.	Gasoline $-18\phi$ . Diesel fuel $-21\phi$ . Aviation fuel $-3\phi$ . Special rates: Bunker $-1/3\phi$ . Propane $-1\phi$ . if used for commercial heating, and $15\phi$ if used for carburation. Coloured gasoline $-1\phi$ .	Gasoline $-12\phi$ . Diesel fuel $-16\phi$ . Aviation fuel $-4\phi$ . Other fuels $-4\phi$ .	Gasoline – 10¢. Diesel fuel – 12¢. Aviation fuel – 3¢. Coloured gasoline – 3¢.	Gasoline — 17¢.  Pollutant-free liquefied petroleum gas (butane and propane) used by common vehicles — 12¢.  Coloured gasoline — 5¢.  Diesel fuel — 19¢.  Aviation fuel — 3¢.  Fuel oil — ½¢.	Gasoline – 14¢. Diesel fuel – 16¢. Aviation fuel – 2¢. Special rates: Fuel oil used for heating and cooking – 1¢.	Gasoline – 14¢. Diesel fuel – 15¢. Fuel oil – 3¢. Aviation fuel – 2½¢. Propane and butane – 2¼¢.	3	
mers, commercial fishermen, fuel used for heating and cooking, industrial, commercial and institutional users, those engaged in road maintenance or construction.  tax relief of 13¢ per gallon is allowed on gasoline used in off-highway vehicles other than "non-working" motor boats and snow-mobiles. Gasoline used in "working" motor boats is eligible for the relief. tax relief of 17¢ per gallon is allowed on diesel fuel oil that is not used in a motor vehicle or that is used in a motor vehicle which is not used on highways or in the construction or maintenance of highways.	Exemptions for coloured gasoline used in farm trucks, agricultural machinery, municipal firefighting equipment and in trapping, fishing and prospecting operations.  Exemptions for diesel fuel used in agricultural machinery, municipal firefighting equipment, lighting plants, hospitals and for domestic purposes. Partial or full refund in other circumstances set out in the Act.	Exemptions for fuel used for cooking, lighting and heating or not designed and manufactured for use in, and not in fact used in, an internal combustion engine.  Exemptions from tax at 16¢ and 12¢ (but not from tax at 4¢) for coloured gasoline used for generating electricity, for cityowned buses, for tractors or machinery (other than motor vehicles) used for industrial purposes or in the construction and maintenance of roads. Coloured fuels when used in farming operations and when mixed with chemicals for weed or insect control are exempt from all taxes.	Exemption for fuel used by the federal government and foreign diplomats.  Relief of 3¢ per gallon for gasoline and diesel fuel used as raw material by the petroleum industry, in household appliances, for lighting and heating, or for spraying on road surfaces.  Relief of 7¢ from gasoline tax and 9¢ from diesel fuel tax for fuel used in farming operations, for industrial purposes, in transit buses, in railway locomotives, or designated as unfit for use in motor vehicles.	Coloured gasoline may be used only in ships, boats and other water vehicles, in stationary and portable engines and tractors for off-highway use, in logging trucks, in railway rolling stock and track-riding motor vehicles, for non-motive industrial use and in farming or commercial fishing operations.  Motive fuels used off-highway by family farmers and fishermen and fuels used in the family farm truck on the highway are exempted from gasoline taxes.  A refund of 12¢ per gallon of non-coloured gasoline and 14¢ per gallon of diesel fuel is granted for off-highway ore or logging trucks, for stationary motor vehicle power units used in industry for certain industrial and commercial vehicles used off-highway in oil and gas operations, and for the motor vehicles of amputees, paraplegics and certain classes of war veterans.	No tax is payable in respect of fuel oil that is used or is to be used in stationary units for the generation of electrical power, in the operation of farm tractors for farming purposes, for lubricating purposes, for lubricating purposes, or for use as cleaning fluids or solvents.	No tax is payable in respect of fuel used or to be used by hospitals, municipal governments, visiting armed forces, for lubricating purposes, for laying or sprinkling on roads or streets, for delivery to D.E.W. stations, or for use as cleaning fluids or solvents.	4	

TABLE 5 B. Other Consumption Taxes levied by Provincial Governments — Continued

		TABLE 5 B. Other Co	onsumption Taxes levied			
NTo		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
No.	Tobacco taxes Statutory authority	The Tobacco Tax Act; R.S.N. 1970, c. 374 and amendments.	The Health Tax Act; S.P.E.I. 1951, c. 71 and amendments.	Health Services Tax Act; R.S.N.S. 1967, c. 126 and amendments.	Tobacco Tax Act; R.S.N.B. 1973, c. T7.	Tobacco Tax Act; R. 1964, c. 72 and am ments.
2	Basis	By cigarette; by retail price of cigars; other tobacco products by weight.	By cigarette; by retail price of cigars and other tobacco pro- ducts.	By cigarette; by retail price of cigars and other tobacco pro- ducts.	By cigarette; by retail price of cigars; by weight for other tobacco products.	By cigarette; by retail p of cigars and o manufactured toba
3	Rate	Cigarettes $-1 \psi$ each.  Cigars from: $1 \psi$ to $4 \psi$ = $2 \psi$ each $5 \psi$ " $7 \psi$ = $3 \psi$ " $8 \psi$ " $15 \psi$ = $4 \psi$ " $16 \psi$ " $25 \psi$ = $8 \psi$ " $26 \psi$ " $35 \psi$ = $12 \psi$ " $36 \psi$ " $45 \psi$ = $16 \psi$ " $46 \psi$ up = $20 \psi$ " Other tobacco products $4 \psi$ per $1/2$ oz. unit or part thereof.	Cigarettes - 4/5 of 1¢ each. Cigars from: 1¢ to 9¢ - 1¢ each 10¢ "15¢ - 2¢ " 16¢ "21¢ - 3¢ " 22¢ "27¢ - 4¢ " 28¢ "33¢ - 5¢ " 34¢ "39¢ - 6¢ " 40¢ "45¢ - 7¢ " 46¢ up - 20% " Other smoking tobacco products 3¢ per 1/2 oz. or part thereof.	Cigarettes – 4/10 of 1¢ each.  Cigars and other tobacco products – 10%.	Cigarettes - 2/5 of 1¢ each.  Cigars - 1¢ for each 5¢ or part thereof.  Other tobacco products - 4¢ per oz. or part thereof.	Cigarettes — 2/5 of each. Cigars from: 5\$\psi\$ to \$10\$\psi\$ - 1\$\psi\$ each. \$10\$\psi\$ up — 20%. Manufactured tobacco. 20% of retail price.
4	Comments	There are certain exemptions on tobacco purchases by bona fide tourists and for other categories such as ships stores. There is no tax on a plug of tobacco.	-	Tax levied under the same statutory authority as the general sales tax.		No tax levied on raw tobacco or on c sold at 5¢ each, or
	Alcoholic beverage tax					
5	Statutory authority	_	The Health Tax Act; S.P.E.I. 1951, c. 71 and amendments.	-	-	-
6	Basis	_	Retail price.	_	_	_
7	Rate		10%	-	-	-
S	Comments	_	Retail sales are made through provincial government liquor stores.	-	-	-

TABLE 5 B. Other Consumption Taxes levied by Provincial Governments – Continued

	TABLE	3 B. Other Consumpti	ion Taxes levied by Pro	ovincial Governments -	- Continued		
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No
e Tobacco Tax Act; R.S.O. 1970, c. 463 and amendments. cigarette; by retail	Act; R.S.M. 1970, c. T80 and amend- ments,	The Tobacco Tax Act; R.S.S. 1965, c. 68 and amendments.  By cigarette; by retail	The Tobacco Tax Act; R.S.A. 1970, c. 364 and amendments.  By cigarette; by retail	The Cigarette and To- bacco Tax Act; S.B.C. 1971, c. 7.	Tobacco Tax Ordinance; (2nd. session); 1974, c. 3.	Tobacco Tax Ordinance; R.O.N.T. 1974, c. T-6.	1
price of cigars; by weight for other to- bacco products.	price of cigars; by weight for other manufactured to-bacco.	price of cigars and by weight for other tobacco pro- ducts.	price of cigars and by weight for to- bacco (including plugs and snuff).	price of cigars; by weight for other tobacco products.	retail price of cigars; by weight for other tobacco products.	retail price of cigars.	4
garettes $-$ 0.46 of $1\phi$ each.  Lars from: $\phi$ to $7\psi$ - $1\psi$ each $\phi$ " $10\psi$ - $2\psi$ " $\phi$ up - $1\psi$ additional tax for each additional $5\psi$ of retail price.  her tobacco products $-$ 2 $1/2\psi$ per $1/2$ oz. (or part thereof.)	Cigarettes - 3/5 of 1¢ each.  Cigars:  4¢ or less - 1¢ each 5¢ to 8¢ - 2¢ " 9¢ " 12¢ 3¢ " 13¢ " 16¢ - 4¢ " 17¢ " 20¢ - 5¢ " 21¢ " 28¢ - 7¢ " 29¢ " 36¢ - 9¢ " 37¢ " 43¢ - 11¢ " 44¢ " 52¢ - 13¢ " 53¢ up - 15¢ " Other tobacco products - 3¢ per 1/2 oz. unit.	Cigarettes - 9/25 of 1¢ each. Cigars: 10¢ or less - 1¢ each 11¢ to 20¢ - 2¢ " Over 21¢ - 4¢ " Other tobacco - 2¢ per 1/2 oz. or fraction thereof.	Cigarettes - 8/25 of 1¢ each. Cigars: 7¢ or less - 1¢ each 8¢ to 15¢ - 2¢ " 16¢ " 22¢ - 3¢ " 23¢ " 32¢ - 5¢ " 33¢ " 42¢ - 7¢ " over 43¢ - 9¢ " Tobacco - 2¢ per 1/2 oz. or fraction thereof.	Cigarettes - 8/25 of 14 each. Cigars:  7¢ or less - 1¢ each 8¢ to 15¢ - 2¢ "  16¢ "22¢ - 3¢ "  23¢ "32¢ - 5¢ "  33¢ "42¢ - 7¢ "  over 43¢ - 9¢ "  Other tobacco products - 2¢ per 1/2  oz. or part thereof.	Cigarettes - 2/5 of 1¢ each. Cigars: 5¢ or less - 1¢ each 6¢ to 12¢ - 2¢ " 13¢ "20¢ - 3¢ " 21¢ "30¢ - 5¢ " 31¢ "40¢ - 7¢ " over 40¢ - 9¢ " Other tobacco products - 2¢ per 1/2 oz. or part thereof.	Cigarettes 8/25 of 1¢ each.   Cigars: 7¢ or less - 1¢ each 8¢ to 15¢ - 2¢ " 16¢ " 22¢ 3& " 23¢ " 32¢ - 5¢ " 33¢ " 42¢ 7¢ " Over 42¢ - 9¢ "	3
-		-	_	-	_		4
	-	-	-	-	Government Liquor Ordinance; R.O.Y.T. 1971, c. L8.	-	5
en.	-	~	~	-	By the bottle, flask, or gallon.	-	6
					10¢ on each dozen bottles of beer. 10¢ on each half-bottle of table wine. 20¢ on each bottle of table wine. 20¢ on each half-bottle of fortified wine. 45¢ on each bottle of fortified wine. 20¢ on each flask of spirits. 50¢ on each bottle of spirits.		
-	-		-	-		+	8

TABLE 5 B. Other Consumption Taxes levied by Provincial Governments — Concluded

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
1	Telecommunication tax Statutory authority		-	Corporations Tax Act; R.S.N.S. 1967, c. 61.		Telecommunications T Act; 1965, c. 28.
2	Basis			Toll charge on long- distance telephone calls.	-	Price of telecommunition.
3	Rate	-	_	5¢ for each 50¢ toll charge or part thereof.	-	8%
4	Comments	_	_	Tolls under 25¢ are exempt.	-	Applicable to long distartelephone calls, to grams and other to communications.
5	Meals and lodging tax  Statutory authority		_	-	-	Meals and Hotels Tax A R.S.Q. 1964, c. 73 a
6	Basis	-		-	-	On meals priced \$1.50 a over, on alcoholic be rages, on any aerai
						water to which esset or syrup has be added, and on price lodging.
7	Rate	-		_	-	8%
- 8	Comments				_	The tax is not payable persons employed in establishment on price of lodging a meals (not includ alcoholic beverages aerated water) suppl to them by the perwho keeps the est lishment. Beer servec a tavern is not taxal

TABLE 5 B. Other Consumption Taxes levied by Provincial Governments — Concluded

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	
-		_	_	-	-	_	No.
-	-	-	_	-	-	-	2
-se-	-	-	-	-	-	-	3
-	-	-	-	-	-	-	4
-	-		-	Hotel and Motel Room Tax Act; S.B.C. 1971, c. 26.	-	-	5
	-	-	-	Purchase price of accommodation in hotels and motels.	-	-	6
-	-	-	-	5%	_	-	7
-	-	-	-		-	-	8



# Other Important Levies by Provincial Governments

Provincial governments resort to a variety of taxes and royalties related to the exploitation of natural resources within their boundaries, to fees on motor vehicle registration and to driving licences and permits, to the taxation of admissions to places of amusement and on race track bettings. Three provinces and one territory levy premiums and one province, a payroll tax. to help finance their hospitalization and medical care programs. Finally, five provinces and one Territory levy, in varying degrees, real property taxes. In Prince Edward Island and New Brunswick, where services formerly assumed by municipal authorities (education, health, welfare and administration of justice) were taken over by provincial governments, the real property tax field is shared by both provincial and municipal governments. The provincial governments levy a flat rate real property tax on a province-wide basis and each municipality has its own separate rate as required to meet its expenditure. All collections are, however, effected by the provinces which remit the municipal share to individual municipalities. In New Brunswick, the provincial rate is \$1.50 per \$100 of the "real and true value" of assessed real property. Prince Edward Island's rates are .75% of the assessed "market value" of non-commercial taxable property and 1.5% of commercial property.

Nova Scotia levies a "land tax" of limited application. In unorganized (non-municipal) areas, Ontario imposes a property tax of  $1\,1/2\%$  of the assessed value of any land with a minimum annual tax of \$6. British Columbia's provincial property tax is levied in non-municipally organized areas at rates ranging from 1/2 of 1% on the assessed value of farm land to 3% on wild land. The Yukon Territory levies a property tax on all non-municipal real property at a rate determined each year.

A number of changes were made in the abovementioned areas of provincial taxation in 1975, among which the most important are as follows:

## Motor Vehicle Registration

Quebec motor vehicle registration fee of  $1\phi$  per pound will continue to apply to the first 3,000 pounds, but will raise to  $2\phi$  for weights between 3,000 and 4,000 pounds and to  $3\phi$  for weights exceeding 4,000 pounds.

These will take effect for 1976 registration. Ontario increased uninsured motor vehicle fees to \$60 per annum.

### Resource Taxes

Newfoundland effected changes in the taxation formula applicable to mineral producers. Under The Mining and Mineral Rights Tax Act, 1975, net income of operating mining companies is taxed at a rate of 15% and that of persons obtained from granting their rights to mine, of 20%.

Quebec introduced a progressive rate structure which varies between 15% and 30% of mining profits, the first \$150,000 profit remaining tax free. It will also be possible to average income as well as to carry losses over a three-year period. Finally, the processing allowance concerning smelting and refining equipment was increased from 8% to 15%.

Manitoba reduced the oil royalty rate for small wells, i.e., whose production is under 20 barrels per day. On the other hand it introduced, effective January 1, 1975, a graduated royalty rate schedule including a basic rate of 15% of base income, as determined in the Act, and an incremental royalty rate of 35% on the excess of such base income.

## Real Property Tax

Nova Scotia proposed in its March 1975 budget to split, as of January 1976, the municipal tax base into residential and commercial or business property. Taxes on the latter would be levied by the provincial government who would assume simultaneously the financing of education which has been provided so far by municipal governments. New Brunswick is implementing in 1975 the first stage of a four-year elimination of the provincial property tax on owner-occupied residential property. Rates per \$100 of the assessed "fair market value" will decrease from \$1.50 per \$100 in 1974-75 to \$1.125 in 1975-76 and to 75¢ in 1976-77 and 1977-78, to be finally eliminated in 1978.

Further details on the above-mentioned levies are given in Table 6, except for real property taxes which are summarized in Table 7.

TABLE 6. Other Important Levies by Provincial Governments

		TABLE 6	. Other Important Levie	es by Provincial Governn	nents	
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
	Amusement taxes  Statutory authority	-	The Entertainments Act; S.P.E.I. 1971, c. 13 and amend- ments.	Theatres and Amusements Act; R.S.N.S. 1967, c. 304 and regulations.	Theatres, Cinematographs and Amusements Act; R.S.N.B. 1973, c. T5.	Amusement Tax A R.S.Q. 1964, c. 76.
2	Basis	-	Admission price.	Admission price.	Admission price.	Admission price.
3	Rate	_	From:  61¢ - 80¢ 7¢ 81¢ - \$1.00 10¢ over - \$1.00 10¢ plus 5¢ extra for each additional 50¢ or fraction thereof. Season ticket - 10% of selling price. Pass or complimentary ticket 10¢	From:  56¢ - 70¢ 5¢ 71¢ - \$1.00 10¢ over - \$1.00 5¢ extra for each additional 50¢ or fraction thereof.	Theatre rates:  Up to 25¢ 2¢  From 25¢ to 30¢ . 3¢  " 31¢" 40¢ . 4¢  " 41¢" 45¢ . 5¢  " 46¢" 50¢ . 6¢  " 51¢" 60¢ . 7¢  " 61¢" 70¢ . 8¢  " 71¢" 80¢ . 9¢  " 81¢" 90¢ . 10¢  " 91¢" \$1.00 . 11¢  over \$1.00 . 11¢  over \$1.00 . 11¢  over \$50.00 . 10¢  The second of	10%
4	Comments	Ŧ	Exemptions: Church, school and municipal functions; certain other amateur or private functions; tickets costing less than 61¢.	Exemptions: Religious, educational or charitable functions; tickets costing 55¢ or less.	Exemptions: School entertainment; agricultural fairs; religious, educational or charitable functions.	Exemptions: Charital agricultural or chu functions. Taxes ( lected by the mun palities.
	Race track taxes					
5	Statutory authority	The Horse Racing (Regulations and Tax) Act; R.S.N. 1970, c. 155 and amendments.	The Entertainment Act; 1971, S.P.E.I. c. 13 and amendments.	Theatres and Amusements Act, R.S.N.S. 1967, c. 304 and regulations.	Theatres, Cinematographs, and Amusements Act; R.S.N.B. 1973, c. T5.	Licences Act; R.S 1964, c. 79 a amendments.
6	Basis	Amount of bets placed under the pari mutuel system.	Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pc
7	Rate	11%	11½%	11%	11% of wagers	7% of ticket evidenc the choice of a sin winning horse; 9% other tickets.
8	Comments	The track operators are paid a remuneration of 3% of the tax collected and remitted.	-	If tax remitted within 7 days, the Race Association may deduct a commission of 7% and 8% depending on certain variables in amounts wagered and dates.	may deduct from 6½% to 8% of the amounts wagered as commission.	In addition to the do on wagers, there i duty on the entral fee at the rate of 1 at races with "f mutuel" betting, 2 5¢ per person at of races.

TABLE 6. Other Important Levies by Provincial Governments

		TABLE 6. Other Imp	ortant Levies by Province	cial Governments			
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No
					,	1	
e Retail Sales Tax; R.S.O. 1970, c. 415	-	_	See: Race track tax.		-		
and amendments.							
mission price.	-	-	_	-	-		2
om: 76¢ to 84¢ 6¢	-	-		_			3
76¢ to 84¢ 6¢ 85¢ to 90¢ 7¢ 91¢ & 92¢ 8¢ 93¢ & over . 10%.							
			,			1	
		† !					
				1		1	
emptions: Tickets costing 75¢ or less; religious, charitable or educational functions (by way	-	-	_	- 1 (	-		4
of refund).	1						1
Race Tracks Tax Act; R.S.O. 1970, c.	The Pari Mutuel Tax Act; S.M. 1974.	The Horse Racing Regulations Act;	The Amusements Act; R.S.A. 1970, c. 18	Pari Mutuel Betting Tax Act; R.S.B.C. 1960, c. 274.	- -		5
ments.		R.S.S. 1965, c. 384 and amendments.	and amendments.	c. 274.			
Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pool.			6
Amount gained from a winning ticket.							,
<b>7</b> %	10%	10%	5%	8%			7
	1½% of the rate is kept as commission by the track operators.	-		1% of this rate is ear- marked to increase the purses of B.C.			8
	, , , , , , , , , , , , , , , , , , , ,			the purses of B.C. bred, born and raised horses.			Į.

TABLE 6. Other Important Levies by Provincial Governments - Continued

		TABLE 6, Other	Important Levies by Pro	Vilicial Governments — C	Olithided	
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
1	Insurance premium taxes  (a) On insurance companies: Statutory authority	The Insurance Companies Tax Act; R.S.N. 1970, c. 177 and amendments.	The Premium Tax Act; S.P.E.I. 1957, c. 27 and amendments.	Insurance Premiums Tax Act; R.S.N.S. 1967, c. 149.	Premium Tax Act; R.S.N.B. 1973, c. P15.	Taxation Act; S.Q. 1972 c. 23 and amendment (Part VI).
2	Basis	Gross premiums.	Gross premiums.	Gross premiums.	Gross premiums.	Premium income.
3	Rate	2%	2%	2%	2%	2%
4	Comments	Exemption for premiums on marine insurance and annuity contracts.	Exemption for annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Applicable on all insuran premiums, including fi insurance.
5	(b) Fire insurance: Statutory authority	The Insurance Premiums Tax Act; R.S.N. 1970, c. 179.	The Fire Prevention Act; S.P.E.I. 1951, c. 59 and amendments.	Fire Prevention Act; R.S.N.S. 1967, c. 107 and amendments.	Fire Prevention Act; R.S.N.B. 1973, c. F13.	-
6	Basis	Premiums charged.	Gross premiums.	Premium income.	Premium income.	
7	Rate	7%	3/4 of 1%	1/2 of 1%	1%	-
8	Comments	This tax is paid by the policy holder. It is levied on all insurance premiums other than life, accident, sickness, and marine premiums.		Rates as determined by the Lieutenant-Gover- nor-in-Council.	-	_

TABLE 6. Other Important Levies by Provincial Governments — Continued

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	N
							;
he Corporations Tax Act; S.O. 1972, c. 43.	The Insurance Corporations Tax Act; R.S.M. 1970, c. 150 and amendments.		The Insurance Corporations Tax Act; R.S.A. 1970, c. 188 and amendments.	(a) Insurance Premiums Tax Act; R.S.B.C. 1960, c. 198 and amendments.		1	
te Insurance Act; R.S.O. 1970, c. 224 and amendments.				(b) Insurance Act; R.S.B.C. 1960, c. 197 and amend- ments.			!
ross premiums or leposits.	Premium income.	Gross premiums.	Gross premiums.	(a) Gross premiums.	-		. 2
ross premiums or eciprocal or inter- nsurance exchanges.				(b) Premiums paid to unlicensed insurer or reciprocal ex- change.			
	2%	2%	2%	(a) 2%	-		3
				(b) 5%			}
on insurance cov- property fire, in- transport, livestock, glass, sprinkler ge, theft and her.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	-		4
n other types of rance.							
~	-	The Fire Prevention Act; R.S.S. 1965, c. 365 and amendment.	The Fire Prevention Act; R.S.A. 1970, c. 144 and amendments.	Fire Marshal Act; R.S.B.C. 1960, c. 148 and amendment.	Fire Prevention Ordinance; R.O.Y.T. 1971, c. F5.		5
_	-	Premium income.	Premium income,	Premium income.	Premium income.		6
-		1%	1/3 of 1%	1%	1%		. 7
		~	-	Rate determined by Lieutenant-Gover- nor-in-Council. Tax on fire and automo- bile insurance. Per- sons insured by un- licensed companies pay the tax directly.			8

TARLE 6. Other Important Levies by Provincial Governments - Continued

		7	TABLE 6. Other	r Important Levies by P	rovincial Governments -	- Continued	
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
1	Resource taxes Statutory authority	(a) The Mining and Mineral Rights Tax Act; S.N., 1975.  (b) The Mineral Lands Taxation Act; R.S.N. 1970, c. 236.	_	(a) Gypsum Mining Income Tax Act; R.S.N.S. 1967, c. 122.  (b) Mineral Resources Act; S.N.S. 1975, c. 12.	Mining Income Tax Act; R.S.N.B. 1973, c. M15 and amend- ments.	Mining Duties Act; S.Q. 1965, c. 35.	(a) The Mining Tax Act; S.( c. 140.  (b) Mining Act; R.S.O. 1 274.
2	Basis	(a) Net income from mining operations and holding rights to mine.		(a) Net income from gypsum mining or ton of gypsum mined.	Net income from mining operations.	Net profit of mining operations.	(a) Profits from mining ope
		(b) Assessed value of minerals.		(b) Net selling price of ores and minerals mined; net income derived from mining operations.			(b) Lands used for mining and mining rights.
3	Rate	(a) 15% mining tax, 20% mineral rights tax on operator or recipient of rent or royalty.	s r	(a) 33 1/3% of net income in excess of \$5,000; or 6¢ per ton where mining operations are calculated at a fixed rate of 18¢ per ton.	\$750,000; 11% on the next \$2,250,000 of net income; 12% on net income in	of \$150,000 to \$3,150,000; 20% on mining profits of \$3,150,001 to \$10,150,000; 25% on mining profits of \$10,150,001 to \$20,150,001 30%	to \$1,000,000; 20% profit of \$1,000, \$10,000, \$25% profit of \$10,000, \$20,000,000; 30% profit of \$20,000, \$30,000,000; 35% profit of \$30,000, \$40,000,000; 30% profit of \$30,000, \$30,000,000; 35% profit of \$30,000, \$30,000,000; 30% profit of \$30,000, \$30,000; \$30,000; \$30,000; \$30,000; \$30,000; \$30,000; \$30,000; \$30,000; \$30,000; \$30,000; \$30,000; \$
		,					

TABLE 6. Other Important Levies by Provincial Governments - Continued

Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	INC
				!		1
he Mining Royalty and Fax Act; R.S.M. 1970, M180 and amendments.	(a) The Mineral Taxation Act; R.S.S. 1965, c. 64 and amendments.	(a) The Freehold Mineral Taxation Act, S.A. 1973, c. 89.	(a) Mineral Land Tax Act, S.B.C. 1973, c. 53.	Yukon Placer Mining Act; R.S.C. 1970, c. Y3.	Canada Mining Regulations; P.C. 1961325.	. 1
ne Mineral Acreage Tax Act; R.S.M. 1972, c. 4135.	(b) The Mineral Resources Act; R.S.S. 1965, c. 50 and amendments.	(b) The Mines and Minerals Act, R.S.A. 1970, c. 238 and amendments.	(b) Mineral Royalties Act, S.B.C. 1974, c. 54.			1
e Mineral Taxation ct; and amendments .S.M. 1970, c. M150.	(c) The Oil and Gas Conservation, Stabilization and Development Act; S.S. 1973, c. 72 and amendments.	(c) Oil and Gas Conservation Act, R.S.A. 1970, c. 267.	(c) Petroleum and Natural Cas Act, S.B.C. 1965, c. 33.			
e Metallic Minerals toyalty Act; S.M. 975, c. M125.	(d) The Road Allowance Crown Oil Act; R.S.S. 1965, c. 53.		(d) Coal Act, S.B.C. 1974, c. 15.		1	
t profit of mining perations.	(a) 1. Flat rate per acre for freehold minerals owned by corporations.	(a) Assessed value of principal minerals in free-hold lands.	(a) 1. Tracts outside designated producing areas.	Value of gold shipped from Yukon.	Annual value of output.	2
	Assessed value of oil, potash and coal for preceding year.  3. Value of potash ore		Highly mineralized area with no operating mine.  3. Active production			
	reserves, mine, plant.		tracts.			
ery owner of minerals ghts on freehold land f 40 acres or more except bona fide farmers who are exempt.	(b) 1. Product ton of potash.  2. (i) Oil produced from Crown lands. (ii) Operator share of oil and road allowance oil produced from Crown lands.	(b) Value of production on Crown lands.	(b) Units of designated mineral sold, disposal of, or used by a producer.			
	3. (i) Net profit of mining companies (metallic minerals and uranium).  (ii) Ton of coal.					
sessed value of min- rals in, on, or under eehold land in a desig- ated production area.	(c) Operator share of oil and road allowance oil produced from freehold rights.	(c) Oil and gas property in designated areas.	(c) 1. Crude petroleum.  2. Natural gas byproducts.  3. Natural gas.			
t profit of mining perations.	(d) All oil produced.		(d) 1. Metallurgical coal.  2. Thermal coal.			
if income is under 50,000; 23% on entire come if income exceds \$50,000 (or a sser amount as deterined by the Lieutennt-Governor-in-Council).	(a) 1. (i) 50¢ (minimum tax \$1).  (ii) Additional tax of 50¢ per acre or fraction thereof on all lands of 500,000 or more acres.	(a) Rates vary with respect to different classes of mineral rights, mineral rights with respect to different minerals and mineral rights in dif- ferent areas.	(a) 1. 49,999 acres or less, 25¢ per acre. 50,000 - 99,999 acres, 40¢ per acre. 100,000 - 249,999 acres, 55¢ per acre. 250,000 - 499,999 acres, 70¢ per acre. 500,000 - 99,999 acres, 85¢	2½%	\$10,001 - \$1,000,000: 3% 1,000,001 - \$,000,000: 5% 5,000,001 - 10,000,000: 6% 10,000,001 and over: an additional 1% for each additional \$5,000,000, not to ex- ceed 12%.	3
	2. Producing tract tax of 8 mills times twice the assessed value.		per acre, 1,000,000 acres and over \$1 per acre.			
	3. Varies from nil under the average selling price of \$35.50 per short ton to 8.73169 mills on the average selling price of \$90 and over.		S2 per acre.  3. Assessed value per acre as determined under regulations.			

TABLE 6. Other Important Levies by Provincial Governments - Continued

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec ,	Ontario
1	Resource taxes — Concluded Rate	(b) Not exceeding 10 mills.	_	(b) Greater of: 2% of net selling price or 15% of net income from mining operations.	_	-	(b) 50¢ per acre.
1							
2	Comments	The mining tax is levied on the greater of 80% of net income or net income	_	_	_	Net profit up to \$150,000 is exempt.	(a) Net profit up \$100,000 exempt.
	1	minus rents or royalty pay- ments.					
3	Logging taxes  Statutory authority	_	_	_		Taxation Act; S.Q. 1972, c. 23 (Part vii).	_
4	Basis	_	_	-	_	Income from logging operations.	_
5	Rate		_	_		10%	_
6	Comments	_	_	_	-	Full exemption is allowed where income is less than \$10,000; where income exceeds \$10,000, the tax is paid on the total income including the \$10,000. Tax credit of 1/3 of tax is provided under the provincial Income Tax Act. Two-thirds may be deducted from the federal income tax under the provisions of the federal Income Tax Act.	

TABLE 6. Other Important Levies by Provincial Governments - Continued

	TABLE 6. Other	r Important Levies by Province	cial Governments – Continued			
Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
Eight mills of the assessed value of each well.  The monthly incremental tax is calculated as follows: value of well production for month x 1.5 equals the assessed value x mill rate equals tax. The monthly incremental tax is in addition to the basic 8-mill tax which is applied to the same assessed value but on a yearly basis. Monthly mill rate schedules are different for new and developed wells.  3% on base profit, 35% on excess of base profit as determined by the lct).	(b) 1. Pro-rationing fee of \$1.20 per ton.  2. (i) Regular crude oil royalty of up to 25% based on volume of production and valued at the well-head price.  (ii) Royalty surcharge equal to the difference between the "basic" well-head price and the well-head price and the well-head price and to difference between the "basic" well-head price and the well-head price.  (c) Mineral income tax equal to difference between the "basic" well-head price and the well-head price.  (d) 1.88% of all oil designated as road allowance oil. Crown share is 1%.  Operator share is .88%.  Crown share is sold at the well-head price.	(b) 1. Crude oil:  8.8% to 44.2% on monthly production for developed wells; 6.1% to 30.6% on monthly production for new wells.  2. Synthetic oil: 8% of monthly production to 900,000 barrels; 20% in excess of 900,000 barrels.  3. Natural gas: Varies from 22% of natural gas when field price is 26¢ or less per Mcf to 65% of the price increment over 72¢ for developed natural gas; for new natural gas, varies from 22% at 26¢ or less per Mcf to 33% of the price increment over 36¢. These royalty rates also apply to propanes and butanes.  4. Sulphur: 16 2/3 of the value of marketable production.  5. Pentanes plus: In accordance with the formula specified in	<ul> <li>(b) 5% of net value of production plus one half net smelter value in excess of 120% of basic value determined under regulations; if net smelter returns range between 90% and 80% of the basic value, the basic rate is 2%. Where smelter returns are less than 80% of the basic value the basic rate is 1.5%.</li> <li>(c) Rates of royalty vary with mineral production. No royalty is payable on production contracted to B.C. Petroleum Corporation.</li> <li>(d) 1. \$1.50 per ton.</li> <li>2. 75¢ per ton.</li> </ul>			1
n operator required to ay royalty under this act is exempt from the ayment of royalty tax	(a) 1. Acreage tax does not apply to an owner who is an individual. 2. Reduced royalty sur-	the regulations.  (c) Uniform rate of taxation as will be sufficient to defray 50% of the estimated net expenditure to be incurred by the Oil and Gas Conservation Board.  (a) At the time of pulbication, assessment for oil and natural gas was not yet specified. In 1973, the	(b) A reduction by 1% is available for provincial refinement other than milling.	Rates established by Order-in- Council	Exemption for the first \$10,000 of output.	
nder the Mining Royalty nd Tax Act.	charge on the production of "new oil".  Deduction from royalty surcharge of 100% of exploration and development expenditures in Saskatchewan up to 30¢ per barrel. Beyond this, 50% of approved expenditures may be deducted.	rate for oil was 16 mills.  (b) 3.4.5. These royalty rates are applied to the value of production after the processing costs of the Crown's share of natural gas has been deducted.				. 1
_	-	-	Logging Tax Act; R.S.B.C. 1960, c. 225 and amendments.		_	3
-	_	_	Net income.	-	_	4
	-	-	15% where net income exceeds \$10,000.	-		5
-	-	-	Full exemption is allowed where net income is less than \$10,000, where net income exceeds \$10,000; the tax is paid on the total net income including the first \$10,000.	-	_	6
			Tax credit of 20% of tax is provided under the provincial Income Tax Act.  Two-thirds may be deducted from federal income tax under the provisions of the federal Income Tax Act.			

TABLE 6. Other Important Levies by Provincial Governments - Continued

		TABLE	6. Other Important Lev	vies by Provincial Govern	nments - Continued		
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
1	Motor vehicle registrations and driving permits  Statutory authority	The Highway Traffic Act; R.S.N. 1970, c. 152 and amendments.	The Highway Traffic Act; S.P.E.I. 1964, c. 14 and amend- ments.	Motor Vehicle Act; R.S.N.S. 1967, c. 191 amendments and regulations.	The Motor Vehicle Act; R.S.N.B. 1973, c. M17.	Highway Code; R.S.Q. 1964 c. 231 and amendments.	The Highway Traf R.S.O. 1970, and amendmen
2	Basis	(a) Weight of the vehicle.	(a) Weight of the vehicle.	(a) Per 100 lb. vehicle weight,	(a) Per lb. of weight of motor vehicle.	(a) Per lb. of vehicle weight.	(a) Number of c for passenge cles; weight f mercial vehic
		(b) Operator.	(b) Operator.	(b) Operator.	(b) Operator.	(b) Operator.	(b) Operator.
			(c) Chauffeur.	(c) Chauffeur.	(c) Chauffeur.	(c) Chauffeur.	(c) Chauffeur.
3	Rate	(a) 1. Passenger vehicles:  Up to 2,000 lb. —  \$19  2,001 to 3,000 lb. — \$21  3,001 to 4,000 lb. — \$23  4,001 lb. and over — \$25.	(a) 1. Passenger vehicles: Not more than 2,049 lb \$23.0ver 2,049 lb. up to and including 4,949 lb \$1 per 100 lb. 4,950 lb. and over - \$53.	(a) 1. Passenger vehicles: \$1 per 100 lb. of vehicle weight. Minimum licence fee is \$15.	(a) 1. Passenger vehicles:  1¢ per lb. of weight of motor vehicle; minimum fee of \$20 per vehicle plus a fee of \$4 for licence plates.	(a) 1. Passenger vehicles:  1	(a) 1. Passenger v 4 cylinder \$23. 6 cylint \$32. 8 cylint \$40.
		2. Commercial vehicles: From \$23 (up to 4,000 lb.) to \$1,041 (69,001 - 70,000 lb.)	2. Commercial vehicles: From \$17 (up to 3,000 lb.) to \$1,270 (110,500 lb.)	2. Commercial vehicles: From \$29 (up to 4,000 lb.) to \$634 (49,001 - 50,000 lb.)	2. Commercial vehicles: From \$19 (up to 4,500 lb.) to \$1,435 (124,501 - 125,000 lb).	2. Commercial vehicles: \$50 up to 15,000 lb. and \$100 above 15,000 lb.	2. Commercia cles: From \$3 5,000 \$2,021 ( to 140,
		(b) Operator's licence – \$9.	(b) Operator's licence . \$4.	(b) Operator's licence – \$6.	(b) Operator's licence – \$4 plus a \$6 un- satisfied judge- ment fee.	(b) Operator's licence – \$6.	(b) Operator's lie \$9.
			(e) Chauffeur's licence - \$7.	(c) Chauffeur's licence - \$7 (one year).	(c) Chauffeurs licence  — \$4 plus a \$6 unsatisfied judge- ment fee.	(c) Chauffeur's licence - \$6.	(c) Chauffeur's li \$9.
4	Comments	(a) Reduced rates apply later in the year.	(a) Reduced rates apply later in the year.	(a) Vehicle registration expires March 31.		Operator's and chauf- feur's licences have a two-year term.	Operator's and feur's licence three-year ter
		(b) Operator's licence has a three-year term. Ex- piry date is on licen- sec's birthday.	(b) Operator's and chauffeur's licences have a two-year term. Expiry date is on the last day of licensee's month of birth.	(b) Operator's licence has a three-year term.	(b) Operator's and chauffeur's licences have a two-year term.		

TABLE 6. Other Important Levies by Provincial Governments - Continued

4.11		o. Other Important Levies	s by Provincial Governments –	ents Continued			
Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territory	No	
Highway Traffic Act: S.S.M. 1970, c. H60 and mendments,	The Vehicles Act; R.S.S. 1965, c. 377 and amendments.	The Highway Traffic Act; R.S.A. 1970, c. 169 and amendments.	Motor-vehicle Act; R.S.B.C. 1960, c. 253 and amend- ments.	Motor Vehicle Ordinance; R.O.Y.T. 1971 c. M11 and amendments,	Vehicles Ordinance; R.O.N.T.	1	
ength of wheel base for passenger vehicles; weight of commercial vehicles.	(a) Length of wheel base; weight of commercial vehicles.	(a) Length of wheel base for passenger vehicles; weight of commercial vehicles.	(a) Gross weight of vehicle.	(a) Length of wheel base.	(a) Flat rate for passenger vehicles; weight of commercial vehicles.	2	
river.	(b) Operator.	(b) Operator,	(b) Operator.	(b) Operator.	(b) Operator.		
hauffeur.	(c) Chauffeur,				(c) Chauffeur.		
Passenger vehicles: \$12 for wheel base not exceeding 100" in length; for each additional 5" or portion thereof – from \$2 to \$4. Additional charge of 50¢ on all registrations for the Unsatisfied Judgement Fund.	(a) 1. Passenger vehicles: \$16 for wheel base not exceeding 110"; \$22 for wheel base of 111" to 120"; \$28 for wheel base exceeding 120".	(a) 1. Passenger vehicles: \$15 for wheel base not exceeding 110", \$20 for wheel base between 111" and 120"; \$25 for wheel base of over 120". Where no wheel base is established: \$20.	(a) 1. Passenger vehicles: 500 lb. or less - \$5. 501 lb. to 1,500 lb \$10 1,501 lb. to 2,000 - \$14 2,001 lb. to 3,000 - \$18 3,001 lb. to 4,000 - \$22 4,001 lb. to 5,000 - \$31 5,001 lb. to 6,000 - \$45 6,001 lb. to 7,000 - \$58 Plus first registration fee of \$1.	(a) \$15 for wheel base 100" or less; \$20 for wheel base 101" to 120": \$25 for wheel base 121" and over.	(a) 1. Passenger vehicles: Operated on MacKenzic Highway - \$15. Operated elsewhere in the Territories - \$5.	3	
Commercial vehicles: From \$16 (up to 6,000 lb.) to \$666 (109,001 - 110,000 lb.).	2. Commercial vehicles: From \$17 (up to 2,500 lb.) to \$2,222 or \$2,532, depending on the category (108,001 – 110,000 lb.).	2. Commercial vehicles; From \$30 (up to 3,000 lb.) to \$490 (40,000 - 41,000 lb.).	2. Commercial vehicles: From \$16 (up to 3,000 lb.) to \$830 (72,001 - 74,000 lb.).		2. Commercial vehicles: Operated on MacKenzie Highway \$6.50 per 1,000 lb. gross weight. Operated elsewhere in the Territories \$1 per 1,000 lb. gross weight.		
perator's licence - \$6.	(b) Operator's licence - \$2.	(b) Operator's licence – \$10.	(b) Operator's licence – \$5.	(b) Operator's licence - \$3.	(b) Operator's licence - \$2.		
auffeur's licence – \$8.	(c) Chauffeur's licence – \$3.				(c) Chauffeur's licence - \$3.		
duced rates apply later the year which expires cbruary 28.	Operator's and chauffeur's licences have a one year term, Expiry date is April 30.	(a) Rates reduced by 40% after September 1 and 75% after January 1.	(a) Rates are reduced 1/12 each month to a minimum fee of \$2.	(a) Reduced rates apply later in the year.	(a) Rates are reduced to 40% after October 31.	4	
erator's and chauffeur's cences issued for two ears on birth date.		(b) Operator's licence has a five-year term; expiry date is March 31.	(b) Operator's licence has a five-year term.	(b) Operator's licence for a one year term. Expiry date is March 31.	(b) Both operator's and chauffeur's licences have one year terms.		
			!				

TABLE 6. Other Important Levies by Provincial Governments — Concluded

			TABLE 0. Oth				
No.		New- foundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
	Hospitalization and medical care premiums and payroll taxes						
1   S	tatutory authority	-	-		-	Health Insurance Act; R.S.Q. 1970, c. 37 and amendments.	The Health Insurance Act; R.S.O. 1972, c. 9
2 E	Basis	-	_	-	_	Gross salaries paid to employees who report for work in an establishment in Quebec.	Monthly premiums.
3 F	Rate	_		-	_	8/10 of 1%	Single
4	Comments	_	Nation of the Control	_		The proceeds of this levy are earmarked for medical care.	Premiums are waived for welfare recipier and persons 65 years of age and over.
						Individuals also pay a special medical care income tax. See Table 3 under Quebec.	The province subsidizes 100% of the premiu of persons with no taxable income a 50% of the premiums of single perso with taxable income of less than \$1,0 and families with taxable income of less than \$2,000.
1							Hospitalization and medical care premiu are combined.
	Miscellaneous taxes						
5	Name of tax	samme	_	_	-	-	Professional boxing and wrestling events
6	Statutory authority		_		_	-	The Athletics Control Act; R.S.O. 1960, 26.
7	Basis	_	_	_	_	-	Gross receipts of professional boxing a wrestling events.
8	Rate	_	_	-	_	-	2%
9	Comments	-	_	_	_	_	-
10	Name of tax	_	_	_	_		Land transfer tax
11	Statutory authority	_	_	-	_	anam.	The Land Transfer Tax Act; S.O. 1974, c
12	Basis		_	_	-	-	Purchase price.
13	Rate	_	) roun	_	_	-	Up to \$35,000 - 3/10 of 1%. Over \$35,000 - 3/5 of 1% 20% where land conveyed to non-reside
14	Comments	_	_	_	_		
15	Name of tax	_	_	_	_	_	Land speculation tax
16	Statutory authority	_	_	_	_	_	The Land Speculation Tax, S.O. 1974, c.
17	Basis	_	autorio	-	_	_	Increase in the value of "designated land" real property in Ontario except Canad resource property).
18	Rate	-	_	_	_	_	20%
19	Comments	_	_	_		-	Principal residence, recreational prope transfers to the Crown or municipalit expropriations, land for industrial or mercial purposes (other than apartm buildings) and farming land upon what agriculture is continued are exempted.
							Effective subsequent to April 9, 1974.

.TABLE 6. Other Important Levies by Provincial Governments — Concluded

Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories
-	-	The Health Insurance Premiums Act; R.S.A. 1969, c. 45 and amendments.	Medical Services Act; S.B.C. 1967, c. 24.	Health Care Insurance Plan Ordinance; R.O.Y.T. 1971, c, H1.	_
-		Annual premiums.	Monthly premiums.	Monthly premiums.	_
-	_	Single	Single \$ 5 Family of two \$10 Family of three or more \$12.50	Single \$ 6.50 Family of two \$12.50 Family of three or more \$14.50	_
	_	Persons 65 years of age and over and persons with no taxable income do not have to pay premiums.  Hospitalization and medical care contributions are combined.	The hospital insurance program is financed from general tax revenue.  The province subsidizes 90% of the premiums of persons with no taxable income in the previous year and 50% of the premiums of persons with taxable income not in excess of \$1,000 in the previous year.	The Territory subsidizes 100% of the premiums of persons with no taxable income and 50% of the premiums of single persons with taxable income of less than \$500, of families of two with taxable income of less than \$1,000 and of families of three or more with taxable income less than \$1,300.	_
on electricity, one service and er products	Motor vehicle insurance tax	Bus mileage tax	-	Fur tax	Fur tax
enue Act (Part .S.M. 1970, c. and amend- s.	The Motor Vehicle Insurance Premiums Tax Act; 1967, c. 19.	The Public Service Vehicles Act; R.S.A. 1970, c. 300 and amendments.	<del>-</del>	Fur Export Ordinance; R.O.Y.T. 1971, c. F12 and amendments.	Fur Export Ordinance: R.O.N.T. 1974, c. F-11.
price of tax- products which de electricity, in natural and ifactured gas, and derivatives, n or hot water.	Gross premiums receivable.	By passenger mile.	-	\$1 per pelt exported.	Permit to export pelts \$1.
5%	1%	1/15 of 1¢ per passenger mile on hard surface roads; 2/45 of 1¢ per passenger mile on gravel roads.	-	Various rates.	_
purchase of le product for heating ing are ex-				Rates are established by regulations with a range from 1¢ to \$5 per pelt.	
-	_	-		_	_
-	-	-	-	_	_
-	-	_	-	-	-
	_	-		-	-
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				_	



# PART III

TAXES LEVIED BY MUNICIPAL GOVERNMENTS



# TAXES LEVIED BY MUNICIPAL GOVERNMENTS

The principal revenue available to municipalities from their own sources is that generated by taxes on the ownership and occupancy of real property situated within their boundaries. The most important of such taxes is the real property tax (70% of own source revenue in 1972), followed by business taxes (7%) and special assessments taxes including local improvements charges (4%). It is worth noting that these taxes were in 1972-73 the largest source of tax revenue of consolidated provincial-local governments taxes.

### Real Property Tax

The main aspects of the real property tax are set out in Table 7. According to the various provincial acts governing the taxation of real property at the municipal level, only municipal councils have powers to levy taxes on ratepayers residing within the territory under their jurisdiction. Exceptions to this general rule applicable to local governments are found in Quebec, where school boards are empowered to levy directly a real property tax which they collect themselves or have it collected by the municipality on their behalf, as it s done in the Montreal area for example; and in British Columbia where district school boards set the rates of the real property tax hey are empowered to levy. Collection, however, is done either by nunicipalities or by the province.

In most other provinces, municipal councils, in addition to evying their own real property tax, are required by law to levy and collect this tax up to an aggregate amount necessary to meet the equirements submitted to them by local entities, governed by profincial statutes, which are situated, in whole or in part, within the erritory under their jurisdiction. Among such local entities are chool boards (local and regional), counties, regional municipalities and districts, special authorities (e.g., Conservation Authorities in Ontario), special area boards or units (e.g., Regional Health Units in Ontario), and special entities established for providing specific ervices (e.g., Regional Hospital Boards in British Columbia).

Broadly speaking, municipal councils set the real property tax ates both for their own requirements and to meet the obligation o provide funds to the various local entities empowered to requision them. Exceptions to this practice are found in New Brunswick nd Prince Edward Island, where the municipal real property tax is ollected by the provincial governments according to rates determined a as to generate amounts of revenue corresponding to municipal mancial requirements.

The real property tax rate is generally expressed in mills (rate er \$1,000 of the base) or as a rate per \$100 of the base. It is, owever, very difficult to make valid comparisons of rates across anada. Some of the principal factors affecting rate comparability

- i) widely varying methods of assessment of real property value not only among the provinces but alos, to a large extent, among local entities within a province;
- o) different ways of determining the fair market value or real value of properties among assessment authorities;
- e) various degrees of development of the municipal system from one province to another;
- uneven delegation of responsibilities to municipalities by the government of each province and, hence, different form and magnitude of the financial assistance that municipalities receive from their respective provincial governments.

For all these reasons and a number of others of less importance, a specific rates are reported in this publication.

# ısiness Tax

Proceeds from the business tax levied on the owners or perators of a business, in addition to the real property tax on the

<sup>1</sup> For more information on the importance of real property taxes in micipal revenue, refer to *Consolidated Government Finance*, Catalogue

owners of the premises, are the second most important revenue available to municipalities from their own sources. There are numerous bases upon which business taxes are imposed. The most commonly used throughout the provinces are as follows:

- (a) Rental value The business tax rate is applied to a specific or prescribed percentage of the assessed rental value of either the entire real property or, as the case may be, part of it used to carry out business. Maximum rates of taxation and percentages of rental value are generally laid down by statutes or fixed by a by-law. Rental value of business real properties is used as the business tax basis by all municipalities in Manitoba, Alberta and British Columbia, by the cities and towns in Quebec and the cities of Saskatchewan.
- (b) Real property assessment The value on which the business tax is levied is determined through the application of percentages (usually established by provincial legislation) to the assessed capital values of real property occupied for business purposes. Ontario, Prince Edward Island and Newfoundland appear to be the sole provinces currently authorizing this form of business taxation.
- (c) Stock-in-trade The tax base is the assessed average value of goods on hand at a specified date. Actual costs, selling prices or any intermediate estimated value may be used to assess the tax base. This type of tax base for business taxation purposes is used, in varying degrees, in Newfoundland, Nova Scotia, Quebec and Manitoba.
- (d) Square footage In this instance, the business tax payable is determined by applying a dollar rate by square foot of the premises' area occupied to carry out business activities. This way of determining the business tax is mainly used in Saskatchewan and, to a lesser extent, in Alberta.

Business tax rates applied to any one of the above-described tax basis vary among types of business and between cities and the other categories of municipal legal organizations, i.e., towns, villages, etc.

### Special Assessment Taxes and Local Improvement Charges

Unlike the above-mentioned municipal levies, special assessment taxes and local improvement charges are related to the supply of specific services. The first type is generally, but not always, levied throughout a municipality's territory for financing all or part of services benefiting the entire or a large proportion of the local population. For instance, services such as the supply of water, street lighting, garbage collection and disposal may bear a special tax whose base is either the consumption of a particular service (e.g., the consumption of water in the case of water supply), a fixed amount per ratepayer based on the cost of the service or a special rate against the assessed value of real property.

The second type of levies, local improvement charges, are mainly instituted for financing specific new undertakings (e.g., sidewalks, sewers, water mains, roads, etc.) and, thus, are generally, but not always, temporary. In other words, they should theoretically last as long as required to finance all or portions of the initial capital expenditure entailed by the new undertaking. Usually, the initial costs are distributed among the ratepayers receiving direct benefits from the new service. Criteria used to distribute these costs vary however among municipalities: in some cases, only the residents of a particular area within the municipality bear such costs whilst, in other instances, all ratepayers of the municipality are taxed although they may not benefit directly from the related undertaking. Also, the base upon which costs are distributed varies among municipalities. It may be total or portion of the real property assessed value, land area or frontage on streets.

For reasons, even more obvious than in the case of real property taxes, yield and rate comparisons of the above described among provinces cannot be established.

TABLE 7. Main Aspects of the Real Property Tax

			TABLE /. Man	1 Aspects of the Real F	Toperty Tax		
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
1	Statutory authority	(a) The Assessment Act; R.S.N. 1970, c. 14 and amendments.	(a) Real Property Assessment Act; S.P.E.I. 1971, c. 38 and amend- ments.	(a) The Assessment Act; R.S.N.S. 1967, c. 14 and amendments.	(a) The Assessment Act; R.S.N.B. 1973, c. 14 and amendments.	(a) Real Estate Assessment Act; S.Q. 1972, c. 50 and amendments.	(a) Assessment Ac R.S.O. 1970, c. and amendmen
		(b) The Local Govern- ment Act; S.N. 1972, Act No. 32 and amend- ments.	(b) Real Property Act; S.P.E.I. 1971, c. 56 and amendments.	(b) The Municipal Act; R.S.N.S. 1967, c. 192 and amendments.	(b) Real Property Tax Act; R.S.N.B. 1973, c. R2 and amendments.	(b) The Cities and Towns Act; R.S.Q. 1964, c. 193 and amend- ments.	(b) Municipal Ac R.S.O. 1970, 284 and amen ments.
		(c) Local School Tax Act; R.S.N. 1970, c. 220 and amendments.	(c) The School Act; R.S.P.E.I. 1951, c. 145 and amendments.	(c) The Education Act; R.S.N.S. 1967, c. 81 and amendments.		(c) Municipal Code; S.Q. 1870, c. 68; revised in 1916 and further amended.	(c) The Provincial La: Tax Act; S. 1972, c. 140 a amendments,
		(d) Forest Land (Management and Taxation) Act; S.N. 1974, Act No. 59 and amendments.		(d) The Land Tax Act; R.S.N.S. 1967, c. 161 and amendments.		(d) Quebec and Montreal Town Charters,	(d) Separate School Act; R.S.O. 197 c. 430 and amen ments.
				(e) Halifax City Charter; S.N.S. 1963, c. 52 and amendments.		(e) Education Act; R.S.Q. 1964, c. 235 and amend- ments.	
2	Method of assessment	(b) (c) Assessment at actual value by municipal assessors under the supervision of a provincial appointed director of assessments.	(a) (b) (c) Assessment made at the market value or real value of real property.	(a) (c) Assessment made at the actual cash value of property.  (d) Value of land assessed, for purposes of taxation, at \$2 an acre.	(a) Assessment made at real and true value of real property by provincial assess- ors.	(a) (b) (d) (e) Assessment made at real value of property in accordance with the provincial assessment handbook.	(a) Lands and buildir assessed at mark value annually provincial assement commisioner. The praince is divided in assessment and assessment citricts.
		(d) Fair market value of unmanaged land and net present value of managed land.		(e) Assessed value as determined by the city assessor.			
3	Rate determination	(b) Determined by Municipal Councils.  (c) Fixed annually by the Authority of the School Tax Area, whether as a real property or as a poll tax or both, who levies and collects it.  (d) Persons holding timber rights are subject to a standard land tax not to exceed 21/4 per acre. An additional tax of 5% on the fair market value of unmanaged land and of 1% on the net present value of managed land.	(a) (b) Determined, levied and collected by the province.  (b) Determined by City Councils in addition to the provincial property tax.  (c) Determined by Board of School Trustees after deducting the yield of the poll tax.	(a) Determined by City Councils.  (d) Determined and levied by the province on value of taxable land.  (c) Area rate on the assessed value of property, determined by municipality council, necessary to levy sums required by trustees of school authorities.	(b) Determined, levied and collected by the province.  (b) Rate determined annually to provide for local services within a local service district and for financing supplementary school programs.  Municipalities may determine a rate in addition to the provincial rate and have collections made by the province.	by Municipal Councils.  (e) A uniform rate of \$1.05 throughout the province, as determined by the Department of Education, but school boards are free to charge an additional rate to meet certain expenditure.	ally by Munici, Councils for general and put school purpos.  (c) In unorgani: regions, provin property tax of 1/2%; minimum in respect of land: \$6.  (d) Determined separate schooards but genely collected by municipality.

TABLE 7. Main Aspects of the Real Property Tax

		TABLE 7, Main Aspect	is of the Real Property 1a	X		
Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
a) The Municipal Assessment Act; R.S.M. 1970, c. M226 and amendments.	(a) The Urban Municipalities Act; S.S. 1970, c. 78 and amendments.	(a) The Municipalities Assessment and Equalization Act; R.S.A. 1970, c. 252 and amendments.	(a) The Assessment Act; S.B.C. 1974, c. 6 and amendments,	Taxation Ordinance; O.Y.T. 1972, c. T13 and amendments.	(a) Municipal Ordinance; R.O.N.T. 1974, c. M-15.	1
b) The Municipal Act; R.S.M. 1970, c. M225 and amendments.	(b) The Rural Municipality Act; S.S. 1972, c. 101 and amendments.	(b) The Municipal Taxation Act; R.S.A. 1970, c. 251 and amendments.	(b) Municipal Act; R.S.B.C. 1960, c. 255 and amend- ments.		(b) Property Taxation Ordinance; O.N.T. 1975, c T1.	
c) Major cities' individual city charters.	(c) The Local Improvement Districts Act; R.S.S. 1965, c. 151 and amendments.	(c) The School Act; R.S.A. 1970, c. 239 and amendments.	(c) Public School Act; R.S.B.C. 1960, c. 319 and amend- ments.			
d) The Public School Act; R.S.M. 1970, c. P250 and amendments.	(d) The Northern Administration Act; R.S.S. 1965, c. 412 and amendments.	(d) The Electric Power and Pipe Line As- sessment Act; R.S.A. 1970, c. 119 and amendments.	(d) Taxation Act; R.S.B.C. 1960, c. 376 and amend- ments.			
e) The Commissioner of Northern Manitoba Affairs Act; R.S.M. 1970, c. N100 and amendments.	(e) The School Assessment Act; R.S.S. 1965, c. 187 and amendments.		(e) Vancouver Charter, S.B.C. 1953, c. 55 and amendments.			
a) Land assessed at full value, buildings at 2/3 of value.  1) Provincial-municipal assessor to supervise municipal assessments and equalize assessments as between municipalities included in municipal assessment districts.	(a) Lands assessed at fair value; buildings and improvements assessed at not more than 60% of fair value.  (b) (c) (d) Lands assessed at fair value; buildings assessed at 60% of fair value  (e) Taxable assessment for municipal purposes.	(b) Land assessed at fair actual value; improvements assessed at percentage of fair actual value.	(a) Lands and improvements assessed at actual value.  (b)(c)(e) Land assessed at full value and improvements at 75% of full value.	Land assessed at fair value; improvements assessed in accordance with the assessment manual approved by the Commissioner.	<ul> <li>(a) Land assessed at fair value; buildings at 2/3 of fair value.</li> <li>(a) Land and improvements assessed separately at fair actual value.</li> </ul>	2
b) Determined by municipal councils for general purposes.  1) School tax: a flat rate, determined by the province under the School Foundation Program and an additional rate, determined by municipalities to meet the further requirements of their school boards; both levied and collected by municipalities.  1) School tax levied and collected in unorganized areas by the resident administrator at a rate determined by him.  1) A real property tax, at a rate determined by the province, may be levied and collected in unorganized northern areas by the Commissioner of Northern Affairs.	(a) (b) Determined by Municipal councils.  (c) Determined by the Minister of Municipal Affairs.  (d) Determined by the administrator of the Act.  (e) Requisitions upon municipalities to levy amounts necessary to meet requirements.	(b) (d) Determined by Councils to meet amounts requisitioned upon them.  (c) School boards must submit, in a prescribed form to municipalities, requisitions stating the amounts of property tax revenue to be raised by each municipality. This provision does not apply to school boards empowered to collect their own school taxes.  (c) Each municipality should pay into the School Foundation Program Fund amounts resulting from applying a rate, not exceeding 30 mills, to the equalized assessment as established under the Act mentioned in (a).	(b) Determined by Municipal Councils for own requirements and those requisitioned upon them by various boards.  (c) Determined by school boards and stated in their requisitions upon municipalities or upon the province in unorganized areas.  (d) Determined by the province in unorganized area.  (e) Determined by City Council.	Determined by Municipal Councils for real properties within municipal boundaries for both municipal and school purposes, and by territorial Councils for real properties in non- municipal organized areas for school pur- poses.	(a) Determined by the council of every district.  (b) Determined by the Commissioner in unorganized areas for general purposes.  (b) In addition the Commissioner may, for school purposes, levy in hamlets a property tax not exceeding 20 mills.	3

TABLE 7. Main Aspects of the Real Property Tax - Concluded

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
4	Main exemptions .	(b) Crown property; lands and buildings used for educational or religious purposes; lands and buildings used in connection with a provincially subsidized hospital; lands and buildings used for library purposes; historical property; land used solely on a non-profit basis for community games, sports, athletics, etc., property used by a charitable or philanthropic institution. Tax exemptions voted by Municipal Councils.  (d) Lands under 300 acres, area situated in St. John's or Corner Brook; land assessed under the Local Government Act.	(b) Places of public worship; non-profit cemetery or burying ground; public parks; Crown lands; buildings or structures which are part of a purification system but not the land on which they are situated; university lands; public educational institutions, real property owned or used by the Maritime Christian College for religious education; real property owned by the Queen in right of Canada.  (c) Real property of cheese and butter factories; public halls; orphanages; cemeteries; parochial residences; school; churches,	(a) Crown property; church property; schools; municipal buildings; school lands; city, town and municipal property; firefighting equipment; property of widows and infants; agricultural society property; farm tools, livestock; tools of tradesmen; fishing equipment; farm produce; animals pelts; sea products; railway stock; boats; property used in offshore petroleum exploration; Royal Canadian Legion; Boy Scouts; Girl Guides; hospital property; aircraft; village property. Tax exemptions voted by Legislature.	(a) Real property owned by a church or reli- gious order and used solely for religious, educa- tional or chari- table purposes; burying grounds; real property used for educa- tional purposes and owned by universities and affiliated colleges and private schools; property owned by scien- tific, literary and historical socie- ties; real prop- erty owned by charitable organ- izations.	(b) Crown lands; federal, provincial and municipal property; property owned by fabriques, religious, charitable or educational institutions; churches; cemeteries; libraries; subsidized railway; private educational establishments and institutions; registry offices; exhibition property of agricultural and horticultural societies; property of school municipalities governed by special acts. Tax exemptions voted by Municipal Councils.	(a) Crown lands; Ind lands; church cemeteries; pu educational ir tutions; phit thropic or religi semimaries; editional seminar, public hospit highways; murr pal property; l. Scouts and Guides; indust farms; charite institutions; chren's aid societ scientific or lift ary institutic battle sites; hibition builds of compart machinery manufacturing farming purpoland used for estry purpo property of the phone and the graph compart religious institons; navy leag mining build and minerals.
5	Comments	(e) Minimum real property tax of \$5.  The cities of St. John's and Cornerbrook levy taxes under separate Acts.	Tax rate on farm property is 50% of the general rate, except for farm residences.	Persons aged 65 or over are exempt from property tax.  Persons having an annual income below \$3,500 may have an exemption up to \$4,500.	School district and local service district tax rates are fixed annually by the Minister of Municipal Affairs.  Collections are made by the provincial government except in cases where a municipality desires to levy a municipal tax in addition to the provincial tax.	For municipalities governed by the Municipal Code, assessment is made by County Councils.  Factors of correction are applied to municipal assessments for school tax purposes by the Department of Education.	(b) Minimum real p. erty tax of levied by the p. ince in unor ized areas.

TABLE 7. Main Aspects of the Real Property Tax - Concluded

Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No
on lands, Indian lands; nunicipal lands, public and private school lands and buildings; hospitals; ducational institutions; hurches; Sunday shools; building used for religious purposes; ublic burying grounds; and buildings of old ge homes; agricultural scieties; colleges and minaries; charitable intutions; Y.M.C.A.; W.C.A.; Y.M.H.A.; mucipal buildings for comunity purposes.	Crown property, Indian lands; place of public worship and connected land under certain conditions; certain cemeteries; certain property owned and occupied by a school district or school unit; hospital buildings and ground under certain conditions; Y.M.C.A.; Y.W.C.A.; law school established and maintained by the Benchers of the Law Society of Saskatchewan; municipal property; highways; lane, park; public libraries; building and grounds owned by a branch of the Royal Canadian Legion Saskatchewan command; veterans and disabled veterans' association of Saskatchewan; the Canadian Mental Health Association; war memorial and ground connected therewith; Child Welfare Society; Agricultural Society; buildings owned by a urual municipality and used for municipal purposes.	Land and improvements owned by a municipality or the Crown; school buildings and school lands owned by a school district or school division; parcel of land held by or for the use of any religious body; building used for public worship or religious education; cemeteries; land of a provincially subsidized hospital; minerals; farm buildings; growing crops; irrigation works held by an irrigation district; property held by a public college or any educational institution; land and improvement vested in a library board; fallout shelters.	Crown lands; municipal lands; public libraries; property vested in school boards; Indian lands; cemeteries; churches; homes for the aged; public hospitals; private education and institutions; fruit trees; farm improvements; parks or recreation facilities owned by another municipality; parks property used for athletic or recreational purposes; charitable organizations; agricultural and horticultural societies; historical sites; property used and land acquired for water purposes; fixture, machinery, etc., removable by tenants.	Crown land; land for the public use of the Territory; land used by municipalities; universities; libraries; hospitals, mental institutions, orphanages and homes for the aged supported entirely by the Territory; land used for cemeteries; land and buildings held by or for the use of divine service, public worship or religious education.	Property owned by a literary or scientific institute or society or orphanage, university, hospital, public library, asylum or home for the aged or infirm; property owned by a municipal district or held by the Crown; property used as a public or separate school; church; cemeteries.	
with individual char- rs: andon otage la Prairie innipeg.	_	Pipelines, electric works, and transmission lines are assessed under the Electric Power and Pipe Line Assessment Act; S.A. 1961, c. 29.	Taxes are levied on land alienated from the railway company under the Esquimalt and Nanaimo Railway Belt Land Tax Act; R.S.B.C. 1960, c. 133.	A school tax is levied by the territorial government on the assessed value of real property outside a municipality's boundaries.  There is a basic rate of school tax determined by the territorial commissioner, collected by the municipalities and paid to the territorial treasurer.	In hamlet an education tax is levied on the assessed value of all lands by the terri- torial government.	5



# PART IV

HISTORICAL TABLES OF SELECTED TAXES

1965 RATES "Basic" personal income tax (excluding old age security tax):
11% on first \$1,000 of taxable income
\$ 110 on \$ 1,000 plus 14% on next \$ 1,000
250 " 2,000 " 17% " " 1,000 110 on \$ 250 " 420 " 610 " 17% 19% 1,000 1,000 6.6 2,000 4,000 26% " 30% " 610 " 1,050 " 1,570 " 2,170 " 2,870 " 4,070 " 6,000 6.6 2,000 10,000 2,000 12,000 15,000 40% 10,000 25,000 40,000 60,000 16,070 27,070 60% 65% 30,000 45,070 " 67,820 " 137,820 " 6.6 90,000 125,000 225,000 400,000 70% " " 100,000 269,070 " 80% "remainder

Old age security tax:

4% of taxable income (maximum \$120).

6.6

Tax on investment income from sources outside Canada:
4% of the taxpayer's income from investment outside Canada, after deduction of
\$2,400 or the total of his personal exemptions, whichever is greater, plus allowable charitable donations and medical expenses.

### **EXEMPTIONS AND DEDUCTIONS**

Single																				 ٠	٠	٠			-		\$1,000
Married		٠						٠						٠		 				 ٠		,				٠	2,000
Dependants: Child under 16 Other dependar	ıt													 ٠	٠		٠	٠	٠			٠	٠				550
Old age (taxpaye	r 6	5	y	ea	rs	of	a	ge	a	nd	0	ve	(1	٠		 	٠	٠						٠		٠	500
GL 1: 11 1 1					4.5								2		 3.	 											

Charitable donations, medical expenses and union dues:

Charitable donations: Up to 10% of income

Medical expenses: Over 3% of income

Union or professional dues: No restriction.

Standard deduction of \$100 (in lieu of claiming deductions for charitable donations, medical expenses and union or professional dues).

### TAX ABATEMENTS, REDUCTIONS AND CREDITS

Increase in the provincial income tax abatement to 21% in all provinces other than Quebec, and 44% in Quebec (the additional 23 percentage points in Quebec are in respect of fiscal compensation for opting out of certain federal-provincial shared

Provision of a tax reduction equal to 5% of "basic" personal income tax (maximum

The credit for dividends from Canadian corporations remains at 20% of the amount

1966

RATES

Same as 1965.

### **EXEMPTIONS AND DEDUCTIONS**

Same as 1965, except that a separate deduction is allowed for union and professional dues in addition to the standard deduction of \$100 and that the \$500 deduction for a taxpayer between the ages of 65 and 70 is cancelled if he is in receipt of old age security benefits.

### TAX ABATEMENTS, REDUCTIONS AND CREDITS

Increase in the provincial income tax abatement to 24% in all provinces other than Quebec, and 47% in Quebec.

Cancellation of the tax reduction enacted in 1965 and provision of two separate tax reductions equal to 4% of "basic" personal income tax (maximum \$240) and 12% of "basic" personal income tax (maximum \$12).

The credit for dividends from Canadian corporations remains at 20% of the amount of dividends received.

1967

### RATES

Same as 1965 except for an increase from 4% (maximum \$120) to 4% (maximum \$240) in the old age security tax rate,

### EXEMPTIONS AND DEDUCTIONS

Same as 1966

# TAX ABATEMENTS, REDUCTIONS AND CREDITS

Increase in the provincial income tax abatement to 28% in all provinces other Quebec, and 50% in Quebec

1967

The tax reductions of the previous year are changed to a single reduction eq 20% of "basic" personal income tax (maximum \$20).

The credit for dividends from Canadian corporations remains at 20% of the an of dividends received.

1968

#### RATES

Same as 1967 except for the imposition of a surtax equal to 3% of basic per income tax in excess of \$200.

### EXEMPTIONS AND DEDUCTIONS

Same as 1966.

# TAX ABATEMENTS, REDUCTIONS AND CREDITS

Same as 1967.

1969

### RATES

Same as 1968 except for the imposition of a social development tax equal to taxable income (maximum \$120).

#### EXEMPTIONS AND DEDUCTIONS

Same as 1966.

## TAX ABATEMENTS, REDUCTIONS AND CREDITS

Same as 1967.

1970

### RATES

Same as 1969.

### EXEMPTIONS AND DEDUCTIONS

Same as 1966 except that the old age exemption of \$500 is restricted to person years of age and over.

### TAX ABATEMENTS, REDUCTIONS AND CREDITS

Same as 1967.

1971

### RATES

"Basic" personal income tax (excluding old age security tax):

N	il	on	\$ 500	plus	16%	on	next	\$ 1,500
\$	240	66	2,000		18%	6.6	6.6	1,000
	420	6.6	3,000	6.6	19%	66	6.6	1,000
	610	4.6	4,000	6.6	22%	66	66	2,000
	1,050	66	6,000	6.6	26%	6.6	6.6	2,000
	1,570		8,000		30%	6.6	6.6	2,000
	2,170		10,000		35%	6.6	6.6	2,000
	2,870		12,000		40%	6.6	6.6	3,000
	4,070		15,000		45%	6.6	6.6	10,000
	8,570		25,000		50%	6.6	6.6	15,000
	16,070		40,000		55%	6.6	6.6	20,000
	27,070		60,000		60%		44	30,000
	45,070		90,000		65%		64	35,000
					70%	66	6.6	100,000
	67,820		125,000		750/	6.6	66	175 000

Old age security tax: 4% of taxable income (maximum \$240).

269,070 " 400,000 " 80% " remainder

The social development tax is reduced to 2% of taxable income in excess of \$ (maximum \$100)

The surtax on basic personal income tax in excess of \$200 is reduced to 1 1/2%.

Tax on investment income from sources outside Canada:

ax on investment income from solvestment outside Canada, after deduct \$2,400 or the total of his personal exemptions, whichever is greater, plus allo charitable donations and medical expenses.

### EXEMPTIONS AND DEDUCTIONS

Same as 1970 except that the amount of any guaranteed income supplement  $p_i$  under the Old Age Security Act is deductible in computing taxable income.

### TAX ABATEMENTS, REDUCTIONS AND CREDITS

Same as 1967 except for the repeal of the "basic" personal income tax reduct 20% (maximum \$20) and the introduction of a tax cut equal to 1 1/2% of "personal income tax (effectively 3% of "basic" personal income starting from 1, 1971).

TABLE I. Personal Income Taxes levied by the Federal Government, 1965 to 1975 - Concluded 1973 CHANGES IN THE CONCEPT OF INCOME **EXEMPTIONS AND DEDUCTIONS** rtax reform, income is broadened to include half of capital gains; half of capital es are deductible from capital gains brought into income or from other income if y do not exceed \$1,000. Income is also broadened to include unemployment trance benefits and other receipts hitherto excluded from its ambit. TAX ABATEMENTS, REDUCTION AND CREDITS RATES on the first \$500 of taxable income

85 on \$ 500 plus 18% on next \$
175 " 1,000 " 19% " "
365 " 2,000 " 20% " "
555 " 3,000 " 21% " "
985 " 5,000 " 23% " "
445 " 7,000 " 25% " " Provincial income tax abatement: Same as 1972. A tax reduction equal to 5% of basic personal income with a minimum of \$100 and a maximum of \$500 was granted for all taxpayers. It replaces the 3% reduction of basic personal income tax in force in 1972. 1,000 2,000 2,000 Dividend tax credit: Same as 1972. 7,000 " 25% " "
9,000 " 27% " "
11,000 " 31% " "
14,000 " 35% " "
24,000 " 35% " "
39,000 " 43% " "
60,000 " 47% " excess 2,000 185 " 10,000 915 " 1974 15,000 765 " 21,000 795 " RATES 12% on the first \$500 of taxable income first \$500 of taxable income \$ 533 plus 18% on next \$ 1,066 " 19% " " 2,132 " 20% " " 3,198 " 21% " " 5,330 " 23% " " 7,462 " 25% " " " 9,594 " 27% " " 11,726 " 31% " " 14,924 " 35% " " 1 25,584 " 39% " " 1 41,574 " 43% " " 263,960 " 47% " excess 64 on \$ 160 " 362 " old age security and social development taxes are eliminated as separate levies the surtax and the 4% tax on investment income from sources outside of ada are cancelled. 1,066 1,066 2,132 2,132 2,132 2,132 2,132 3,198 576 1,023 1,514 " 2,047 " 2,622 " **EXEMPTIONS AND DEDUCTIONS** 3,614 " 7,345 " 13,581 " 10,660 15,990 21,386 **EXEMPTIONS AND DEDUCTIONS** tution ..... \$50 per month of attendance table donations, medical expenses and union dues: ritable donations: to 20% of income. ical expenses: er 3% of income. TAX ABATEMENTS, REDUCTION AND CREDITS lard deduction of \$100 (in lieu of claiming deductions for charitable donations 1 medical expenses). Provincial income tax abatement: Same as 1972. or professional dues: Tax reduction: estriction. Same as 1973. Dividend tax credit: ) for each child under 14 years of age (maximum \$2,000 per family). Same as 1972. o 3% of employment income (maximum \$150). 1975 ig expenses:
oval expenses incurred by a taxpayer who changes job. R.

9% on the first \$587 of taxable income
\$ 53 on \$ 587 plus 18% on next \$
158 " 1,174 " 19% " "
382 " 2,348 " 20% " "
616 " 3,522 " 21% " "
1,109 " 5,870 " 23% " "
1,649 " 8,218 " 25% " "
2,236 " 10,566 " 27% " "
2,870 " 12,914 " 31% " "
3,962 " 16,436 " 35% " " 1
8,071 " 28,176 " 39% " " 1
14,939 " 45,786 " 39% " " 1
14,939 " 45,786 " 43% " 2
25,540 " 70,440 " 47% " excess TAX ABATEMENTS, REDUCTIONS AND CREDITS 1,174 1,174 2,348 icial income tax abatement: rovinces other than Quebec ec: % of federal personal income tax. 2,348 2,348 eduction: 11,740 if basic personal income tax. and tax credit:
widuals are allowed a credit for dividends which operates as follows: the amount
dividend received is increased by 33 1/3% and added to income and 20% of the
ossed up" dividend is allowed as a credit against tax. 24 654 70,440 " 47% " excess EXEMPTIONS AND DEDUCTIONS Single
Married
Dependants:
Child under 16
Other dependant
Old age (taxpayers 65 years of age and over)
Taxpayers who are blind or confined to wheelchair
Other accompliants and deductions: 1973 RATES n the first \$500 of taxable income 75 on \$ 500 plus 18% on next \$ 55 " 1,000 " 19% " " first \$500 of taxable income
\$ 500 plus 18% on next \$
1,000 " 19% " "
2,000 " 20% " "
3,000 " 21% " "
5,000 " 23% " "
7,000 " 25% " "
9,000 " 27% " "
11,000 " 31% " "
14,000 " 35% " " 1
14,000 " 35% " " 1
39,000 " 43% " 2
60,000 " 47% " excess Other exemptions and deductions: Same as 1972. 1,000 TAX ABATEMENTS, REDUCTION AND CREDITS 2,000 2,000 Provincial income tax abatement: Same as 1972. 2,000 A general 8% reduction of tax payable with a minimum of \$200 and a maximum of \$500. Tax reduction

Dividend tax credit: Same as 1972.

" 47% " excess

# TABLE II. Personal Income Taxes levied by the Province of Quebec, 1965 to 1975

1965	1966
RATES 4.8% on first \$1,000 of taxable income	EXEMPTIONS AND DEDUCTIONS  Same as 1965.
\$ 48 on \$ 1,000 plus 6.2% on next \$ 1,000 110 " 2,000 " 7.5% " " 1,000 185 " 3,000 " 8.4% " " 1,000 269 " 4,000 " 9.7% " " 2,000 463 " 6,000 " 11.4% " " 2,000 691 " 8,000 " 13.2% " " 2,000	TAX CREDIT Same as 1965.
955 " 10,000 " 15.4% " " 2,000 1,263 " 12,000 " 17.6% " " 3,000 1,791 " 15,000 " 19.8% " " 10,000 3,771 " 25,000 " 22.0% " " 15,000	1967
7,071 " 40,000 " 24.27" " 20,000  11,911 " 60,000 " 26.4% " 30,000  19,831 " 90,000 " 28.6% " 35,000  29,841 " 125,000 " 30.8% " 100,000  60,641 " 225,000 " 33.0% " 175,000  118,391 " 400,000 " 35.2% " remainder	RATES  5.5% on first \$1,000 of taxable income \$ 55 on \$ 1,000 plus 7.0% on next \$ 1,000 125 " 2,000 " 8.5% " " 1,000 210 " 3,000 " 9.5% " " 1,000 305 " 4,000 " 11.0% " " 2,000
1/2 of 1% of such income in excess of the greater of \$2,400 or the total of personal exemptions.	525 " 6,000 " 13.5% " " 2,000 785 " 8,000 " 15.0% " " 2,000 1,085 " 10,000 " 17.5% " " 2,000 1,435 " 12,000 " 20.0% " " 3,000 2,035 " 15,000 " 22.5% " " 10,000
EXEMPTIONS AND DEDUCTIONS  Single \$1,000  Married 2,000  Dependants: Child under 16 300	4,285 " 25,000 " 25.0% " " 15,000 8,035 " 40,000 " 27.5% " " 20,000 13,535 " 60,000 " 30.0% " " 30,000 22,535 " 90,000 " 32.5% " " 35,000 33,910 " 125,000 " 37.5% " " 100,000 68,910 " 225,000 " 37.5% " " 175,000 134,535 " 400,000 " 40.0% " remainder
Other dependant	Tax on investment income: Rate increased to 2%; same base as 1966.
TAX CREDIT  Credit for dividends received from Canadian corporations equal to 45% of the federal credit.	EXEMPTIONS AND DEDUCTIONS  The \$300 exemption for a child under 16 is repealed effective July 1, 196 leaves a deduction of \$150 available for the taxation year 1967).
1966	Low income:  No tax is payable if income does not exceed \$2,000 if single or \$4,000 if n  Other exemptions and deductions:  Same as 1965.
RATES  5.2% on first \$1,000 of taxable income  \$ 52 on \$ 1,000 plus 6.6% on next \$ 1,000  118 " 2,000 " 8.0% " " 1,000  198 " 3,000 " 8.9% " " 1,000	TAX CREDIT  The credit for dividends from Canadian corporations is increased to 50% of the responding federal credit.
287 " 4,000 " 10.3% " " 2,000 493 " 6,000 " 12.2% " " 2,000 737 " 8,000 " 14.1% " " 2,000	1968
1,019 " 10,000 " 16.5% " " 2,000 1,349 " 12,000 " 18.8% " " 3,000 1,913 " 15,000 " 21.2% " 10,000 4,033 " 25,000 " 23.5% " " 15,000 7,558 " 40,000 " 25.9% " " 20,000 12,738 " 60,000 " 28.2% " " 30,000 21,198 " 90,000 " 30.6% " " 35,000	RATES  Same as 1967 except for the imposition of a 6% surtax on the provincial princome tax.
31.908 " 125,000 " 32.97 " " 100,000 64,808 " 225,000 " 35,3% " " 175,000 126,583 " 400,000 " 37.6% " remainder	EXEMPTIONS AND DEDUCTIONS Same as at July 1, 1967.
Tax on investment income:  1/2 of 1% of the taxpayer's income from investment outside Canada, after deduction of \$2,400 or the total of his personal exemptions whichever is greater, plus allowable charitable donations and medical expenses.	TAX CREDIT Same as 1967.

1969	1972
RATES	
1968.	Other deductions:
EXEMPTIONS AND DEDUCTIONS	Union or professional dues:
	No restriction.
at July 1, 1967.	Charitable donations: Up to 10% of income,
TAX CREDIT	Medical expenses:
1967.	Over 3% of income.
1000	or
1970	Standard deduction of \$100 in lieu of claiming deductions for charitable donation
RATES	and medical expenses,
1968 except for the imposition of a health insurance tax, at the rate of 8/10	TAX CREDIT
of net income (maximum: \$125 if at least 3/4 of net income is salary, or	Credit for dividends from Canadian corporations:
therwise), effective November 1, 1970.	50% of corresponding federal credit.
EXEMPTIONS AND DEDUCTIONS	1973
at July 1, 1967.	1773
TAX CREDIT	RATES
1967.	Same as 1972.
707.	EXEMPTIONS
1971	Low income:
	No tax is payable if income does not exceed \$2,500 if single or \$5,000 if marrie
RATES	All other exemptions remain unchanged from 1972.
November 1, 1970.	TAX CREDIT
EXEMPTIONS AND DEDUCTIONS	Same as 1972.
at July 1, 1967.	1974
TAX CREDIT	17/4
967.	RATES
701.	Same as 1972.
1972	EXEMPTIONS
	Interest income \$1,00
CHANGES IN THE CONCEPT OF INCOME	Old age (taxpayer 65 years of age or over) 1,00
s broadened to include half of capital gains; half of capital losses are deduct-	Low income:
m capital gains brought into income. Income is also broadened to include oyment insurance benefits,	No tax is payable if income does not exceed \$2,600 if single or \$5,200 if marrie
RATES	Single and married taxpayers whose income is between \$2,600 and \$2,850 ar \$5,200 and \$5,785 respectively, are to pay taxes no higher than 50% of the diffe
	ence between their net income and the amount of their exemptions.
irst \$2,000 of taxable income on \$ 2,000 plus 11% on next \$ 1,000	All other exemptions remain unchanged from 1972.
" 3,000 " 12% " " 2,000	
" 5,000 " 14% " " 2,000 " 7,000 " 16% " " 2,000	TAX CREDIT Same as 1972,
2,000	Dante do 17/L
" 11 000 " 20% " " 3 000	1975
" 14.000 " 22% " " 10.000	RATES
24,000 " 24% " " 15,000	0% on first \$2,000 of taxable income
39,000 " 26% " " 21,000 " 60,000 " 28% " remainder	\$ 0 on \$ 2,000 plus 16% on next \$ 7,000
aurance tax:	1,120 " 9,000 " 18% " " 2,000
1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or	1,480 " 11,000 " 20% " " 3,000 2,080 " 14,000 " 22% " " 10,000
therwise).	4,280 " 24,000 " 24% " " 15,000
n investment income and the 6% surtax are cancelled.	7,880 " 39,000 " 26% " " 21,000
	13,340 " 60,000 " 28% " excess
EXEMPTIONS AND DEDUCTIONS	EXEMPTIONS
	Single         \$1,60           Married         3,50
2,850	Employment expense
ears of age and over dependant on taxpayer 550	Interest and dividend income
expayer 65 years of age or over)	Low income:
ne:	The former tax relief provided to single and married taxpayers is abandoned since the new income tax measures exempt from taxation a total income of \$3,931 for
s payable if income does not exceed \$2,000 if single or \$4,000 if married.	single taxpayer and of \$5,957 for a married taxpayer.
ent expenses:	All other exemptions remained unchanged from 1972.
And of	
deductions are available for some expenses related to employment, such as	TO A ST. COMP. ET ST. STORY
veductions are available for some expenses related to employment, such as chase of certain tools and special clothing, moving expenses and child care es.	TAX CREDIT Same as 1972.

TABLE III. Personal Income Taxes levied by the Provinces Other than Quebec, 1965 to 1975

No.	Province	1965	1966	1967	1968	1969
140.						
1	Newfoundland	21	24	28	Same as 1967	33
2	Prince Edward Island	21	24	28	Same as 1967	Same as 196
3	Nova Scotia	21	24	28	Same as 1967	Same as 196
4	New Brunswick	21	24	28	Same as 1967	383
5	Ontario	21	24	28	Same as 1967	Same as 196
6	Manitoba	26	29	33	Same as 1967	Same as 196
7	Saskatchewan	27	29	33	Same as 1967	Same as 196
8	Alberta	21	24	28	Same as 1967	333
9	British Columbia	21	24	28	Same as 1967	Same as 196

<sup>1</sup> Effective July 1, 1974.
2 Effective July 1, 1971.
3 Effective July 1, 1969.

TABLE IV. Corporation Income Taxes levied by the Federal and Provincial Governments, 1965 to 1975

No.	Government	1965	1966	1967	1968	1969
1	Canada <sup>1</sup>	All income other than dividend income:  18% on first \$35,000 of taxable income.  47% on taxable income in excess of \$35,000.  Plus 3% old age security tax on all taxable income.  Dividend income.  Exempt.	Same as 1965	Same as 1965	Same as 1965 except for imposition of 3% surtax on tax other than old age security tax.	Same as

See footnote(s) at end of table.

TABLE III. Personal Income Taxes levied by the Provinces Other than Quebec, 1965 to 1975

1970	1971	1972	1973	1974	1975	
						No.
Same as 1969	Same as 1969	36.0	Same as 1972	40.01	Same as 1974	1
Same as 1967	332	36.0	Same as 1972	Same as 1972	Same as 1972	2
Same as 1967	Same as 1967	38.5	Same as 1972	Same as 1972	Same as 1972	3
Same as April 1, 1969	Same as April 1, 1969	41.5	Same as 1972	Same as 1972	Same as 1972	4
Same as 1967	27.5	29.585	30.5	Same as 1973	Same as 1973	5
39	Same as 1970	42.5	Same as 1972	Same as 1972	Same as 1972	6
34	Same as 1970	37.0	40.0	Same as 1973	Same as 1973	17
Same as July 1, 1969	Same as July 1, 1969	36.0	Same as 1972	Same as 1972	26	8
Same as 1967	Same as 1967	30.5	Same as 1972	Same as 1972	Same as 1972	9

Same as July 1, 19	069	Same as July 1, 1969	36.0	Saı	me as 1972	Same as 1972		26	8
Same as 1967		Same as 1967	30.5	Saı	me as 1972	Same as 1972		Same as 1972	9
Note: These pro	ovinces do ne tax. Foi	not collect their own tax. It is collect their own tax. It is collect 1972, 1973, 1974 and 1975 they	ollected on their behalf by the t vare expressed as a percentage of	of the revised	"basic" lederal per	sonal income tax.		pressed as a percentage of the fe	deral
1970	1971	1972	1973		19	774		1975	No.
July fect: 1, r 3% and tion of t erwi able till	8 until 1. Ef- ive July epeal of surtax	Public corporations:  (a) Business income: 2 50% of taxable income. (b) Dividend income: exempt unless paid out of the designated surplus of a subsidiary corporation. (c) Other investment income: 50%. 2  Private corporations:  (a) Business income: 25% on the first \$50,000 of taxable income? and 50% on taxable income in excess of \$50,000² of active Canadian-controlled corporations, 50% of taxable income of other private corporations, 2 (b) Dividend income: usually exempt if received from subsidiary corporations; 33 1/3 if received from other corporations but refunded if dividends are paid to shareholders. (c) Other investment income: 50%2 subject to the provision that half of the tax paid can be refunded as dividends are paid to shareholders.	Public corporations:  (a) Business income: (i) 40% of taxable inc manufacturing an ing activities, (ii) 49% of taxable inc other business act (b) Dividend income: exem paid out of the design plus of a subsidiary co. (c) Other investment income: (i) 20% on first \$50,00 able income and taxable income in \$50,000 generate manufacturing an ing activities of controlled cor 40% on taxable generated by the facturing and justivities of controlled cor 40% on taxable income in \$50,000 generate at taxable income in \$50,000 generate other business ac Canadian-controlle porations, (ii) 25% on the first \$ taxable income in \$50,000 generate other business ac Canadian-controlle porations; 49% of income generated other business ac conter private cor (b) Dividend income: usuall if received from a corporations; 33 1/3% if from other corporation tax is refunded if divipaid to shareholders. (c) Other investment incos subject to the provision of the tax paid can be if dividends are paid holders.	ome from wivities.  ome from wivities.  pt unless nated surporation.  e: 49%.  on of tax-  40% on excess of do by the down on the surporations;  e: income natural processing or private  50,000 of dd 49% on excess of down of dd 49% on excess of down on the surporations;  excess of down of the surporations, we except subsidiary freceived us but the dends are me: 49% that half refunded	manufacing activities (ii) 48% of to ther but the factoring activities (c) Dividend incompaid out of plus of a sub (c) Other investment of the factoring activities controlled 40% of generate facturing activities corporation (ii) 25% on taxable ta	ne: axable income from cturing and process- rities. axable income from axable income from siness activities. because the designated sur- sidiary corporation. ent income: 48%.  s: ne: the first \$50,000 of income and 40% on income in excess of generated by the cturing and process- vities of Canadian- ed corporations; on taxable income d by the manu- g and processing s of other private	(a) Bus (i)  (b) Diving particular (ii)  (b) Diving particular (iii)  (iii)  (b) Diving particular (iii)  (iii)	prorations: iness income: 140% of taxable income from manufacturing and processing activities. 147% of taxable income from other business activities. diend income: exempt unless id out of the designated suris of a subsidiary corporation.  Proporations: Iness income: 20% on the first \$50,000 of taxable income and 40% on taxable income in excess of \$50,000 generated by the manufacturing and processing activities of Canadian-controlled corporations; 40% on taxable income generated by the manufacturing and processing activities of the private corporations; 25% on the first \$50,000 of taxable income and 47% on taxable income and 47% on taxable income in excess of the private corporations; 25% on the first \$50,000 of taxable income in excess of \$50,000 generated by the other business activities of Canadian-controlled corporations; 47% on taxable income generated by the other business activities of Canadian-controlled corporations; 47% on taxable income generated by the other business activities of canadian-controlled corporations; 47% on taxable income generated by the other business activities of content private corporations, 47% on taxable income generated by the other business activities of content private corporations, 47% on taxable income in excess of the private corporations and the provision that half the tax paid can be refunded dividends are paid to shareholders.	1

TABLE IV. Corporation Income Taxes levied by the Federal and Provincial Governments, 1965 to 1975 - Concluded

No.	Government	1965	1966	1967	1968	1969
						:
2	Newfoundland	9% on same base as federal income tax	Same as 1965	11%	12%	13%
3	Prince Edward Island	9% on same base as federal income tax	Same as 1965	10%	Same as 1967	Same as 1967
4	Nova Scotia	9% on same base as federal income tax	Same as 1965	10%	Same as 1967	Same as 1967
5	New Brunswick	9% on same base as federal income tax	Same as 1965	10%	Same as 1967	Same as 1967
6	Quebec	12% on base very similar to federal income tax	Same as 1965	Same as 1965	Same as 1965	Same as 1965
7	Ontario	11% on base very similar to federal income tax	Same as 1965	Same as 1965	12%	Same as 1968
8	Manitoba	10% on same base as federal income tax	Same as 1965	11%	Same as 1967	Same as 1967
9	Saskatchewan	10% on same base as federal income tax	Same as 1965	11%	Same as 1967	Same as 1967
10	Alberta	9% on same base as federal income tax	Same as 1965	10%	Same as 1967	11%
11	British Columbia , , ,	9% on same base as federal income tax	Same as 1965	10%	Same as 1967	Same as 1967

<sup>1</sup> Under the Federal-Provincial Fiscal Arrangements, the federal corporations income tax was, until 1967, abated by an amount equal to 9% of corporation tax able income in all provinces other than Quebec and by an amount equal to 10% of corporation taxable income in Quebec. In 1967, the abatement became a uniformal provinces.

2 The 7% reduction of tax otherwise payable was still valid, thus bringing the effective rate at 46.5% and 23,25%.

TABLE V. General Sales Taxes levied by the Federal and Provincial Governments, 1965 to 1975

No.		1965	1966	1967	1968	1969
	RATES					
	Federal sales tax (imposed on manufacturer's selling price of domestic products and duty paid value of imported goods):					
1	(a) General rate	8%	]	9% ]	[	
2	(b) Old age security tax	3%	Same as 1965	3% Effective January 1	Same as 1967	Same as 1967
3	(c) Combined rate (a) + (b)	11%		12%		
4	(d) Special rates: (i) Most building materials	8%	1	11% effective January 1	Same as 1967	Same as 1967
5	(ii) Production machinery	8%	1	11% to March 31, 6% from April 1 to June 2 exempt effective June 2	2	2
6	(iii) Dies, jigs, fixtures and moulds and patterns therefor and tooling for production machinery	8%	Exempt effective March 30	2	2	2

TABLE IV. Corporation Income Taxes levied by the Federal and Provincial Governments, 1965 to 1975 - Concluded

_							
	1970	1971	1972	1973	1974	1975	No.
	Same as 1969	Same as 1969	Same as 1969	Same as 1969	Same as 1969	Same as 1969	1 2
	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	3
	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	4
	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	5
	Same as 1965	Same as 1965 <sup>3</sup>	Same as 1965	Same as 1965	Same as 1965	Same as 1965	6
	Same as 1968	Same as 19684	Same as 1968	Same as 1968	Same as 1968 <sup>5</sup>	Same as 1968	7
	13%	Same as 1970	Same as 1970	Same as 1970	Same as 1970	Same as 1970	8
	Same as 1967	Same as 1967	Same as 1967	12%	Same as 1973	Same as 1973	9
	Same as 1969	Same as 1969	Same as 1969	Same as 1969	Same as 1969	Same as 1969	10
	Same as 1967	Same as 1967	Same as 1967	12%	Same as 1973	13%	11

<sup>3</sup> Corporations investing during the period April 1, 1971, to March 31, 1977, more than \$150,000 of their profits in designated areas in new technological processes or in the production of goods not yet produced in Quebec can benefit from tax credits ranging from 30% to 100% of the amounts invested.

4 Credit granted against corporations income tax, equal to 5% of eligible investment in machinery and equipment purchased and used in Ontario during the period April 26, 1971, and March 31, 1973, Deduction from income of the interest paid on money borrowed to purchase shares in other corporations during corporation fiscal years ended after April 26, 1971.

5 Credit granted to privately controlled Canadian corporations which qualify for the federal small business deduction equal to 5% of the annual increase in paid-up capital or 50% of taxable income up to a maximum of \$3,000 whichever is the lesser effective April 9.

TABLE V. General Sales Taxes levied by the Federal and Provincial Governments, 1965 to 1975

1970	1971	1972	1973	1974	1975	No.
		12%				1
Same as 1967	Same as 1967	Effective January 1	Same as 1972	Same as 1972	Same as 1972	3
Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	4
2	2	2	2	2	2	5
2	2	2	2	2	2	6
2	2	2	2	2	2	I

TABLE V. General Sales Taxes levied by the Federal and Provincial Governments, 1965 to 1975 — Concluded

No.		1965	1966	1967	1968	1969	1970
	2. Provincial sales taxes (imposed on retail						
7	price): (1) Newfoundland	5%	Same as 1965	6% (effective April 1)	7% (effective April 1)	Same as April 1, 1968	Same a
8	(2) Prince Edward Island	5%	Same as April 23, 1965	Same as April 23, 1965	Same as April 23, 1965	7% (effective April 15)	Same : April 15,
9	(3) Nova Scotia	5%	Same as 1965	Same as 1965	Same as 1965	7% (effective April 4)	Same (
10	(4) New Brunswick	3%	Same as 1965	6% (effective	Same as January 1, 1967	8% (effective April 1)	Same :
11	(5) Quebec	6%	Same as 1965	January 1) 8% (effective March 17)	Same as March 17, 1967	Same as March 17, 1967	April 1, 1 Same a March 17,
1.2	(6) Ontario:	3%	5% (effective	Same as	Same as	Same as	Same :
12	(a) General	3%	April 1) 5% (effective	April 1, 1966 Same as	April 1, 1966 Same as	April 1, 1966 10% (effective	April 1, 1 Same :
13	(b) Meals and alcoholic beverages	3 /0	April 1)	April 1, 1966	April 1, 1966	April 1)	April 1, 1
14	(7) Manitoba: (a) General			5% (effective	Same as	Same as	Same :
15	(b) Spirits, wines and imported beer			June 1) 5% (effective June 1)	June 1, 1967 Same as June 1, 1967	June 1, 1967 Same as June 1, 1967	June 1, 1 Same : June 1, 1
16	(8) Saskatchewan	4% (effective	Same as February 20, 1965	Same as	5% (effective	Same as	Same a
17	(9) British Columbia	February 20) <sup>3</sup> 5%	Same as 1965	February 20, 1965 Same as 1965	March 2) Same as 1965	March 2, 1968 Same as 1965	March 2, Same as 1
18	CHANGES IN EXEMPTIONS (Unless otherwise specified, the	Prince Edward	British Columbia:	Federal sales tax:	Saskatchewan:	Ontario:	Saskatchewan
10	following are new exemptions.)	Island: Soft drinks.  Quebec: Exemption for meals under \$1 raised to meals under \$1.25.  Saskatchewan: Insecticides.	Candy; soft drinks; all meals; news- papers sold over the counter and by subscription; classroom sup- plies.	Drugs and medi- cines; some or- thopaedic ap- pliances; produc- tion machinery.  Manitoba:  Introduction of general sales tax.	Former exemption for all meals res- tricted to meals under \$2.	Meals under \$2.51. Repeal of exemption for industrial machinery.	Electricity heating, Repeal of c for meals Repeal of c for railwa stock, ties rails.
19	TAX ON SERVICES	Quebec: Hotel and motel accommodations; long distance telephone calls; telecommunications.	Ontario: Telephone services and telecommunications.	Manitoba:  Hotel and motel accommodations; telephone services over 45¢; telecommunications; repairs; laundry and drycleaning; printing, photography, microfilming, etc.	New Brunswick: Hotel and motel accommodations; telecommunications. Saskatchewan: Hotel and motel accommodation services; telecommunications.	Newfoundland: Hotel and motel accommodations; telephone services; telecommunications; repairs; laundry and drycleaning. New Brunswick: Laundry and drycleaning. Ontario: Hotel and motel	

Subject to federal sales tax at full rates.
 Exempt from federal sales tax.

TABLE V. General Sales Taxes levied by the Federal and Provincial Governments, 1965 to 1975 - Concluded

	TABLE V. Genera	l Sales Taxes levied by the Federal and	Provincial Governments, 1965 to 1975 -	Concluded	
1971	1972	1973	1974	1975	No.
Same as April 1, 1968  8% (effective March 19)  Same as April 4, 1969  Same as April 1, 1967  Same as April 1, 1966  Same as April 1, 1969  Same as April 1, 1969	Same as April 1, 1968  Same as March 19, 1971  Same as April 4, 1969  Same as April 1, 1969  Same as April 1, 1967  Same as April 1, 1966  Same as April 1, 1966  Same as April 1, 1969	Same as April 1, 1968  Same as March 19, 1971  Same as April 4, 1969  Same as April 1, 1969  Same as March 17, 1967  7% (effective May 1)  Same as April 1, 1969  Same as April 1, 1969	8% (effective April 10)  Same as March 19, 1971  Same as April 4, 1969  Same as April 1, 1969  Same as March 17, 1967  Same as May 1, 1973  Same as April 1, 1969  Same as June 1, 1967	Same as April 10, 1974  Same as March 19, 1971  Same as April 4, 1969  Same as April 1, 1969  Same as March 17, 1967  5% (effective April 8, 1975)  Same as April 1, 1969  Same as April 1, 1969	No. 7 8 9 10 11 12 13 14 15
Same as March 2, 1968	Same as March 2, 1968	Same as March 2, 1968	Same as March 2, 1968	Same as March 2, 1968	16
Same as 1965	Same as 1965	Same as 1965	Same as 1965	Same as 1965	17
ince Edward sland:  Railway rolling stock; commercial vessels.  Building materials.	Newfoundland: Children's clothing. Quebec: Industrial production equipment. Ontario: Repeal of exemption for draught beer, which becomes taxable as in (b). Manitoba: Safety clothing. Increase of rate from 5% to 10% on spirits, wines and imported beer. Repeal of exemptions for production machinery and vessels over 200 tons gross. Saskatchewan: Meals under \$2.51.	Federal sales tax:  Confectioneries, chocolate bars, soft drinks, fruit drinks and similar near food products; children's clothing, shoes and other footwear.  Nova Scotia:  Larger sizes of children's clothing and footwear; all merchandise, except automotive equipment and parts, sold to Indians on reservations for their own use.  Quebec:  Exemption for meals under \$1.25 raised to \$1.50. Small sale exemption raised from 10¢ to 15¢.  Ontario:  Exemption for meals increased from \$2.50 to \$4. Seeds, bulbs, natural flowers, etc.; household pets.	Federal sales tax: Clothing and footwear.  Newfoundland: Domestic fuel and heating oil.  Prince Edward Island: Goods and materials used in making clothing; soap and cleaning supplies, and articles traded in against purchases. Small sale exemption raised from 114 to 164. Prepared meals of less than \$2.01 exempted. Refund of sales tax to newlyweds for up to \$1,000 purchases of furniture and other household supplies within the first year of marriage. Books and other printed material of informational or literary value.  New Brunswick: Clothing and footwear, microfilm purchases by libraries (containing information equivalent to a book ordinarily exempted), and purchases made by Status Indians off the reservation for delivery on the reservation. Prepared meals of less than \$2.01 exempted.  Ontario:  Personal hygiene items, e.g., toothpaste, baby powder, soap, detergents, etc., and footwear of \$30 or less.  Manitoba:  Exemption for prepared meals raised to \$2.99 from \$1.99. Purchases (except motor cars) made by Status Indians.  British Columbia:  Books and second-hand clothing.	Federal sales tax: Insulation material.  Prince Edward Island: Small sales exemption raised from 16¢ to 26¢.  Nova Scotia: Anti-pollution equipment and devices purchased by manufacturers, producers and processors or other designated persons.  New Brunswick: Laundry and drycleaning services.  Quebec: Exemption for meals under \$1.49 raised to \$2. Small purchases exemption increased from 15¢ to 25¢. Industrial machinery exemption extended to March 31, 1977.  Ontario:  Machinery and equipment for production and/or construction purposes exempt to December 31, 1977.  Saskatchewan: Restaurant meals; books and other reading materials.	18
ish Columbia:  tel and motel ac-  mmodations.	Nova Scotia:  Hotel and motel accommodations.				1.0
35		1		1	-

<sup>&</sup>lt;sup>3</sup> Except for beer and spirits which remained taxable at 5%.

TABLE VI. Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1965 to 1975

No.	Province	1965	1966	1967	1968	1969
1	Newfoundland: Motive fuel	19¢ per gallon	Same as 1965	20¢ per gallon (effective April 1)	25¢ per gallon (effective April 1) 1/2 of 1¢ each	Same as April 1, 1968
2	Cigarettes	1/4 of 1¢ each	Same as 1965	Same as 1965	2¢ to 10¢ each	Same as
4	Cigars	$1 \phi$ to $5 \phi$ each $1 \phi$ per $1/2$ oz. unit	Same as 1903	Same as 1703	2¢ per 1/2 oz. unit (effective April 1)	April 1, 1968
5	Prince Edward Island: Gasoline	18¢ per gallon	Same as 1965	Same as 1965	21¢ per gallon (effective March 20)	Same as March 20, 1968
6	Diesel fuel	18¢ per gallon	Same as 1965	Same as 1965	21¢ per gallon (effective March 20) 2/5 of 1¢ each	Same as March 20, 1968
7	Cigarettes	1/5 of 1¢ each			2/3 01 14 04011	
8 9	Cigars	1¢ to 3¢ each 10%	Same as 1965	Same as 1965	20% 20% (effective March 20)	Same as March 20, 1968
	Nova Scotia:					
10	Gasoline	19¢ per gallon	Same as 1965	Same as 1965	Same as 1965	21¢ per gallon (effective April 4)
11	Diesel fuel	27¢ per gallon	Same as 1965	Same as 1965	Same as 1965	Same as 1965
12	Aviation fuel	Nil	Nil	Nil	Nil	Nil
13	Cigarettes	1/10 of 1¢ each	Same as 1965	Same as 1965	Same as 1965	4/10 of 1¢ each (effective April 4)!
14	Other tobacco products	5%	Same as 1703	Same as 1905	Game as 1900	(effective April 4);
	New Brunswick:					
15	Gasoline	18¢ per gallon	Same as 1965	Same as 1965	19¢ per gallon	20¢ per gallon (effective April 1)
1.6	D' ded	224 11	Same as 1965	Same as 1965	(effective April 1) Same as 1965	Same as 1965
16 17	Diesel fuel	23¢ per gallon Nil	Nil	Nil	Nil	Nil
1 /	Aviation fuel	1111	****			
18	Cigarettes	1/5 of 1¢ each	]			2/5 of 1¢ each
19	Cigars	1¢ to 3¢ each	Same as 1965	Same as 1965	Same as 1965	1¢ for each 5¢
20	Other tobacco products	10%	J			4¢ per oz. (effective April 1)
2.1	Quebec:	16 d mar call an			19¢ per gallon	
21		16¢ per gallon 22¢ per gallon	Same as	Same as	25¢ per gallon	Same as
		(effective April 8)	April 8, 1965	April 8, 1965		March 28, 1968
23	Aviation fuel	Nil	Nil	Nil	3¢ per gallon (effective March 28)	
24		6/25 of 1¢ each	Same as	Same as	2/5 of 1¢ each	Same as
25 26		12% (when over 5¢) 12% (effective April 8)	April 8, 1965	April 8, 1965	$\begin{cases} 20\% \text{ (when over } 10\phi) \\ 20\% \\ \text{ (effective March 28)} \end{cases}$	March 28, 1968
	Ontario:					
27	Motive fuel	15¢ per gallon	16¢ per gallon	)	18¢ per gallon	
28	Diesel fuel	2 1/2¢ per gallon	22¢ per gallon (effective April 1)	Same as April 1, 1966	24¢ per gallon	Same as March 13, 1968
29	Aviation fuel	Nil	Nil	Nil	3¢ per gallon (effective March 13)	
30	Cigarettes	Nil	1/20 of 1¢ each to April 1; 1/10 of 1¢ from April 1		3/10 of 1¢ each	2/5 of 1¢ each
31	Cigars	Nil	1/5 of 1¢ per 5¢	Same as April 1, 1966	1/2 of 1¢ per 5¢	1/2 of 1¢ per 5¢
31	Tobacco	Nil	1¢ per oz. to April 1;	April 1, 1700	2 1/2¢ per oz.	2 1/2¢ per oz. (effective March 5
			$1 \phi - 2 \phi$ per oz. from April 1		(effective March 13)	(effective materia)

Note: The taxes on motive fuels do not apply in all instances. Generally speaking all provinces provide either complete or partial exemptions for motive fuels used in foreactions. Similarly, several provinces provide either complete or partial exemptions for motive fuels used in commercial fisheries. See Table 5 B "Other Consumption" for a complete or partial exemptions.

TABLE VI. Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1965 to 1975

1970	1971	1972	1973	1974	1975	No.
Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1968	
Same as	Same as	1¢ each 4¢ to 20¢ each	Same as June 1, 1972	S 1.072	Same as June 1, 1972	( :
April 1, 1968	April 1, 1968	4¢ per 1/2 oz. unit (effective June 1)	Same as June 1, 1972	Same as June 1, 1972	2¢ to 20¢ each Same as June 1, 1972	
6						
Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	5
Same as March 20, 1968	Same as March 20, 1968	25¢ per gallon (effective April 1972)	Same as April 19, 1972	Same as April 19, 1972	Same as April 19, 1972	6
Same as	Same as	Same as			4/5 of 1¢ each (effective May 13, 1975)	
March 20, 1968	March 20, 1968	March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968 3¢ per 1/2 oz. unit	8
					(effective May 13, 1975)	
Same as	Same as	Same as	Same as April 4, 1969	Same as April 4, 1969	Same as April 4, 1969	1
April 4, 1969 Same as 1965	April 4, 1969 Same as 1965	April 4, 1969 Same as 1965	Same as 1965	Same as 1965	Same as 1965	110
Nil	3¢ per gallon (effective August 1)	Same as August 1, 1971	Same as August 1, 1971	Same as August 1, 1971	Same as August 1, 1971	11
Same as	Same as	Same as				1
April 4, 1969	April 4, 1969	April 4, 1969	Same as April 4, 1969	Same as April 4, 1969	Same as April 4, 1969	{ 13
Same as	Same as	Same as	Same as April 1, 1969	Somo oo Amril 1 1060	Company April 1 1000	1.0
April 1, 1969 Same as 1965	April 1, 1969 Same as 1965	April 1, 1969 Same as 1965	Same as 1965	Same as April 1, 1969	Same as April 1, 1969	15
Nil	3¢ per gallon (effective May 15)	Same as May 15, 1971	Same as May 15, 1971	Same as 1965 Same as May 15, 1971	Same as 1965 Same as May 15, 1971	16
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	10,1571				
Same as April 1, 1969	Same as April 1, 1969	Same as	Same as April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	18
1, 1, 0,	Apin 1, 1909	April 1, 1969				20
Same as	Same as	Same as	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	21 22
larch 28, 1968	March 28, 1968	March 28, 1968		,	1	23
						24
Same as larch 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	25
						26
_		∫ 19¢ per gallon	1			[ 27
Same as larch 13, 1968	Same as March 13, 1968	25¢ per gallon (effective March 29)	Same as March 29, 1972	Same as March 29, 1972	Same as March 29, 1972	28
		3¢ per gallon	Same as March 13, 1968	Same as March 13, 1968	Same as March 13, 1968	29
		0.46 of 1¢ each	)			( 30
Same as	Same as					1
March 5, 1969	March 5, 1969	1¢ per 5¢ 2 1/2¢ per 1/2 oz.	Same as March 29, 1972	Same as March 29, 1972	Same as March 29, 1972	31 32
		(effective March 29)	)			-

TABLE VI. Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1965 to 1975 - Concluded

No.	Province	1965	1966	1967	1968	1969
1101	Manitoba:					
1	Gasoline	17¢ per gallon				
2	Motive fuel	20¢ per gallon	Same as 1965	Same as 1965	Same as 1965	Same as 1965
3	Aviation fuel	2¢ per gallon				
4	Cigarettes	2/5 of 1¢ each	]			
5	Cigars	1¢ to 10¢ each	Same as 1965	Same as 1965	Same as 1965	Same as 1965
6	Manufactured tobacco	2¢ per 1/2 oz.				
0	Manufactured totales	_, _,				
7	Saskatchewan:	14¢ per gallon	15¢ per gallon	)	17¢ per gallon	Sama as
7	Gasoline	17¢ per gallon	18¢ per gallon	Same as March 15, 1966	20¢ per gallon	Same as March 1, 1968
8	Diesel fuel	1 /¢ per ganon	(effective March 15)	)	(effective March 1)	2
9	Aviation fuel	Nil	Nil	Nil	2¢ per gallon (effective April 2)	Same as April 2, 1968
10	Cigarettes	1/5 of 1¢ each		1/5 of 1¢ each	8/25 of 1¢ and 9/25 of 1¢ each	Sama
11	Cigars	1¢ to 5¢ each	Same as April 1, 1965	1¢ to 5¢ each	1¢ to 10¢ each	Same as March 1, 1968
12	Manufactured tobacco	1¢ per oz. (effective April 1)		1¢ per 1/2 oz.	2¢ per 1/2 oz. (effective March 1)	
	Alberta:					
13	Gasoline	12¢ per gallon	Same as 1965	Same as 1965	15¢ per gallon	
14	Diesel fuel	14¢ per gallon	Same as 1905	Danie as 1900	17¢ per gallon	Same as June 1, 1968
15	Aviation fuel	Nil	Nil	Nil	3¢ per gallon (effective June 1)	
16	Cigarettes	Nil	Nil	Nil	Nil	8/25 of 1¢ each
17	Cigars	Nil	Nil	Nil	Nil	1¢ to 9¢ each
18	Tobacco	Nil	Nil	Nil	Nil	64¢ per lb. (effective June 30
	British Columbia:					
19	Gasoline	13¢ per gallon	1			
20	Motive fuel	15¢ per gallon	Same as 1965	Same as 1965	Same as 1965	Same as 1965
21	Aviation fuel	1¢ per gallon	J			
22	Cigarettes	Nil	Nil	Nil	Nil	Nil
23	Cigars	Nil	Nil	Nil	Nil .	Nil
24	Other tobacco products	Nil	Nil	Nil	Nil	Nil
	Yukon:					
25		9¢ per gallon	]		11¢ per gallon	Same as
26		9¢ per gallon	Same as 1965	Same as 1965	(effective January 23)	January 23, 196
27	Aviation fuel	Nil	Nil	Nil	Nil	Nil
	Northwest Territories:					Nil
28		Nil	Nil	Nil	Nil	
29	Cigars	Nil	Nil	Nil	Nil	Nil
30	Gasoline	7 1/2¢ per gallon	9¢ per gallon	10¢ per gallon	11¢ per gallon (effective April 1)	12¢ per gallon
3	Diesel fuel	3 1/2¢ per gallon (effective April 1)	4¢ per gallon (effective April 1)	6¢ per gallon (effective April 1)	8¢ per gallon (effective April 1)	10¢ per gallon (effective April 1
3	2 Aviation fuel	1 1/2¢ per gallon	Same as 1965	Same as 1965	Same as 1965	Same as 1965

TABLE VI. Taxes on Motive Fuels and Tobacco Products levied by the Provincial Governments, 1965 to 1975 - Concluded

1970	1971	1972	1973	1974	1975	1
Same as 1965	Same as 1965	Same as 1965	Same as 1965	15¢ 18¢ Same as 1965	18¢ 21¢ 3¢	
Same as 1965	Same as 1965	3/5 of 1¢ each 1¢ to 15¢ each 3¢ per 1/2 oz. (effective May 1)	Same as May 1, 1972	Same as May 1, 1972	(effective May 19)  Same as May 1, 1972	1
19¢ per gallon 21¢ per gallon	Same as March 3, 1970	Same as March 3, 1970	Same as March 3, 1970	12¢ per gallon 16¢ per gallon	Same as 1974	{
4¢ per gallon effective March 3)				Same as March 3, 1970	Same as March 3, 1970	
Same as March 1, 1968	Same as March 1, 1968	Same as March 1, 1968	9/25 of 1¢ each, February 9, 1973 1¢ to 4¢ each (effective February 9)	Same as February 9, 1973	Same as February 9, 1973	
			Same as March 1, 1968	Same as March 1, 1968	Same as March 1, 1968	
Same as June 1, 1968	Same as June 1, 1968	Same as June 1, 1968	Same as June 1, 1968	10¢ per gallon 12¢ per gallon Same as June 1, 1968	Same as 1974  Same as June 1, 1968	
Same as June 30, 1969	Same as June 30, 1969	Same as June 30, 1969	Same as June 30, 1969	Same as June 30, 1969	Same as June 30, 1969	
Same as 1965 Nil Nil Nil	15¢ per gallon 17¢ per gallon 3¢ per gallon (effective February 5) 8/25 of 1¢ each 1¢ to 9¢ each 2¢ per 1/2 oz. (effective February 5)	Same as February 5, 1971  Same as February 5, 1971	Same as February 5, 1971  Same as February 5, 1971	Same as February 5, 1971  Same as February 5, 1971	17¢ 19¢ Same as February 5, 1971  Same as February 5, 1971	2 2 2 2 2 2 2
Same as nuary 23, 1968	14¢ per gallon (effective April 1)	Same as 1971	Same as 1971  16¢ per gallon (effective April 1)	Same as 1971 Same as April 1, 1973	Same as 1971 Same as April 1, 1973	2
Nil	2¢ per gallon (effective April 1)	Same as April 1, 1971	Same as April 1, 1971	Same as April 1, 1971	Same as April 1, 1971	1 2
Nil Nil Same as 1969	Nil Nil 14¢ per gallon	Nil Nil	Nil Nil	8/25 of 1¢ each 1¢ to 9¢ each (effective April 1)	Same as April 1, 1974	28 1 29
12¢ per gallon ffective April 1) Same as 1965	(effective April 1)  15¢ per gallon (effective April 1)  2 1/2¢ per gallon (effective April 1)	Same as April 1, 1971	Same as April 1, 1971	Same as April 1, 1971	Same as April 1, 1971	3

TABLE VII. Federal Taxes on Alcoholic Beverages and Tobacco Products, 1965 to 1975

	02 / 11/ 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1				
	1965 to 1966 inclusive	1967	1968 to 1973 inclusive	1974	1975
1. Bcer	Excise duty of 38¢ per gallon.	Increased to 42¢ effective December 1	Same as December 1, 1967	Same as December 1, 1967	Same as December 1, 19
2. Spirituous beverages other than Canadian brandy	Excise duty of \$13 per proof gallon.	Increased to \$14.25 effective December 1	Same as December 1, 1967	Increased to \$16.25 effective November 18	Same as November 18, 1
3. Canadian brandy	Excise duty of \$11 per proof gallon.	Increased to \$12.25 effective December 1	Same as December 1, 1967	Increased to \$14.25 effective November 18	Same as November 18, 1
4. Spirits sold to druggists and used in the preparation of prescriptions	Excise duty of \$1.50 per proof gallon.	Same as 1965	Same as 1965	Same as 1965	Same as 196
5. Imported spirits taken into bonded manufactory	Excise duty of 30¢ per proof gallon (in addition to other duties).	Same as 1965	Same as 1965	Same as 1965	Same as 196.
6. Wines:  (a) Containing 7% or less of absolute alcohol by volume	Excise tax of $25\phi$ per gallon.	Increased to 27 1/2¢ effective December 1	Same as December 1, 1967,	Same as December 1, 1967	Same as December 1, 1
more than 7% of absolute alco- hol by volume but not over 40% of proof spirit	Excise tax of 50¢ per gallon,	Increased to 55¢ effective December 1	Same as December 1, 1967	Increased to 95¢ effective November 18	Decreased to effective June
(c) Champagne and other sparkling wines	Excise tax of \$2.50 per gallon.	Increased to \$2.55 effective December 1	Same as December 1, 1967	Increased to \$2.95 effective November 18	Same as November 18,
7. Cigarettes	Excise tax of 2 1/2¢ per 5 cigarettes plus excise duty of \$4 per 1,000 cigarettes weighing less than 3 lbs. per 1,000 or \$5 per 1,000 cigarettes weighing more than 3 lbs. per 1,000.	Increase of excise tax to 3¢ per 5 cigarettes effective December 1	Same as December 1, 1967	Increase of excise duty to \$5 per 1,000 cigarettes weighing less than 3 lbs. per 1,000 or \$6 per 1,000 cigarettes weighing more than 3 lbs. per 1,000 effective November 18	Same as November 18,
8. Cigars	Excise tax of 15% plus excise duty of \$2 per 1,000 cigars.	Increase of excise tax to 17 1/2% effective December 1	Same as December 1, 1967	Increase of excise tax to 20 1/2% effective November 18	Same as November 18,
9. Manufactured tobacco	Excise tax of 80¢ per lb. plus excise duty of 35¢ per lb.	Increase of excise tax to 90¢ per lb. effective December 1	Same as December 1, 1967	Increase of excise duty to 50¢ per lb. effective November 18	Same as November 18,
10. Canadian raw leaf tobacco	Excise duty of 10¢ per lb.	Same as 1965	Same as 1965	Same as 1965	Same as 19

Notes: 1. All goods subject to federal excise tax and/or duty are also subject to the federal manufacturers' sales tax; however, while the manufacturers' sales tax is ap to excise duty, it is not levied on excise tax.

2. Excise duties and certain excise taxes do not apply to imported commodities; the customs duty rates applicable to imported products are set, however, to count of these excises.



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12 - 533

12 - 534

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# Principal taxes n Canada

1976





# STATISTICS CANADA Public Finance Division

# PRINCIPAL TAXES IN CANADA 1976

Published by Authority of The Minister of Industry, Trade and Commerce

December 1976 4-2101-504

Price: \$1.40



## TABLE OF CONTENTS

	Page
Introduction	5
General Commentary	5
Government Structure	5 6
The state of the s	8
PART I. Taxes Levied by the Federal Government	
Income Taxes	13
Other Important Federal Taxes	
1976 Changes in Federal Taxes	14
Table	14
Income Taxes Levied by the Federal Government.      Other Important Federal Taxes.	16 18
PART II. Taxes Levied by Provincial Governments	
Income Taxes	23
Consumption Taxes	24
Miscellaneous Provincial Levies	25
1976 Changes in Provincial Taxes	25
Table	
3. Income Taxes Levied by Provincial Governments	28
4. Capital and Gift Taxes and Succession Duties	30
5 A. General Retail Sale Taxes Levied by Provincial Governments	32
5 B. Other Consumption Taxes Levied by Provincial Governments	34
6. Miscellaneous Provincial Levies	42
PART III. Taxes Levied by Municipal Governments	
Real Property Tax	57
Business Tax	57
Special Assessment Taxes and Local Improvement Charges	57
Table Control of the	
7. Main Aspects of the Real Property Tax	58

## TABLE OF CONTENTS — Concluded

## PART IV. Historical Tables of the Most Important Taxes

Table	Page
I. Personal Income Taxes Levied by the Federal Government, 1966 to 1976	64
II. Personal Income Taxes Levied by the Province of Quebec, 1966 to 1976	
III. Personal Income Taxes Levied by the Provinces Other than Quebec, 1966 to 1976	
IV. Federal and Provincial Corporation Income Taxes, 1966 to 1976	
V. Federal and Provincial General Sales Taxes, 1966 to 1976	
VI. Provincial Taxes on Motive Fuels and Tobacco Products, 1966 to 1976	74
VII. Federal Taxes on Alcoholic Beverages and Tobacco Products, 1966 to 1976	

## INTRODUCTION

The Public Finance Division of Statistics Canada releases annually a summary of the principal taxes levied in Canada. While in earlier issues these taxes were arranged by type, they are now presented under the unit of government which levies them, i.e., federal, provincial and municipal. The main divisions of the publication are as follows:

General Commentary.

Part I. Taxes levied by the Federal Government.

Part II. Taxes levied by Provincial Governments.

- " III. Taxes levied by Municipal Governments.
- " IV. Historical Tables of the Most Important Taxes.

The principal levies in force as at and changes proposed prior to July 1, 1976, whether or not implemented at that date, are taken into account herein.

## GENERAL COMMENTARY

For a clearer understanding of the nature of the principal taxes in force in Canada, it is useful to have some general knowledge of the sociopolitical context in which they are levied. To this end, the Canadian government structure and the main fiscal legislation presently governing the relations among units of government are briefly described below.

## **Government Structure**

Canada is a federal state with a central government, ten provincial governments and two territorial administrations. The British North America Act, adopted in 1867, forms the written constitution of the country. Sections 91 and 92 of the Act specify the distribution of taxing powers and responsibilities between the federal parliament and the provincial legislatures. Under Section 91, the federal parliament is given unlimited taxing powers while, under Section 92, the provincial legislatures are granted the power of "direct taxation within the Province in order to the raising of a revenue for provincial purposes". In addition, the BNA Act empowers the provinces to establish municipal institutions within their own territory. Thus, the latter derive their powers and their fiscal and financial responsibilities from the provincial legislature which created

In the mid-nineteenth century, the definition of direct taxes formulated by J.S. Mill: "A direct tax is one which is demanded from the very person who it is intended or desired should pay it", was the guiding principle. According to this definition, most major levies in Canada are direct taxes, i.e., personal and corporation income taxes, succession duties and a variety of provincial sales taxes which are paid by the ultimate purchaser or user of taxed goods and services. The field of indirect taxation, occupied solely by the federal government,

includes customs duties, excise levies, export charges on certain products and sales taxes levied on manufacturers.

Direct taxation in the form of income tax was employed in several municipalities even before the formation of the federation. This form of taxation was adopted by British Columbia in 1876 and by Prince Edward Island in 1894. However, it was not until 1917, during the First World War, that the federal government entered the income tax field. During the 1930's, provinces began to levy a tax on income and by 1940 all provinces were taxing the income of corporations and seven were taxing the income of individuals.

Among the other direct taxes, succession duties are the oldest; Ontario and Quebec started to levy such duties in 1892. The other provinces soon followed by adopting succession duties legislation modeled on the Ontario Act. The federal government entered this field of taxation in 1941 with the adoption of the Estate Tax Act. This tax, however, applied to the total value of an estate not to the part received by each heir as was the case of the provincial legislation. The Estate Tax Act was repealed in 1971.

## Main Legislation Governing Federal-Provincial Relations

The federal-provincial arrangements, as they are now known, originated at the end of the Second World War, i.e., about 1946, when most provinces wanted to re-enter the direct taxation field which they had surrendered to the federal government at the beginning of the war. Several federal-provincial conferences were held at that time in order to devise the structure of the relations — fiscal and financial — that should prevail between the two levels of government. The first agreements in this respect were implemented for the years 1947 to 1952, pursuant to the Dominion-Provincial Tax Rental Agreements Act. Ontario and Quebec did not sign such tax rental agreements. These provinces continued to levy succession duties and resorted again to

<sup>1</sup> J.S. Mill, "Principles of Political Economy", Book V, Chapter iii.

corporation income tax at a rate of 7%; they did not enter the personal income tax field.

The 1947 agreements started the series of quinquennial federal-provincial arrangements, each one modifying and broadening the terms and content of the immediately preceding one. For instance, with the adoption in 1957 of the tax sharing arrangements in place of the tax rental agreements in force since 1947, the federal government initiated the income tax abatement system in favour of the provinces. The 1957 formula, however, was modified by the 1962 agreements. Under this modification, the provinces could establish the rates of their own income tax. Further, the federal government offered to collect, together with its own income tax, any income tax that provinces levied. Thus started the system of Tax Collection Agreements.

In addition to fiscal matters, recent quinquennial arrangements dealt with fields of public interest in which a joint federal-provincial action was considered desirable. The main Acts governing existing arrangements are described below in the following order:

the Federal-Provincial Fiscal Arrangements Act, 1972, the Established Programs (Interim Arrangements) Act, 1964 - 65.

the Federal-Provincial Fiscal Revision Act, 1964.

## Federal-Provincial Fiscal Arrangement Act, 1972

This Act, assented to March 29, 1972, comprises seven parts which are successively examined, with the exception of Part VII which pertains to administrative matters.

## I – Provincial Revenue Equalization Payments

The equalization program, as it is now known, was established in 1967 and revised in 1972. This revision, however, did not modify its basic philosophy: the redistribution of part of the nation's wealth among the provinces. From its general revenue, the federal government compensates any province whose per capita revenue is below the national average for reasons of a relative deficiency in the province's tax base. Thus, equalization payments are intended to ensure that all citizens are provided with fairly comparable standards of public services throughout the country.

According to the formula set out in the 1972 Act and amendments, provincial revenue subject to equalization is divided into 20 revenue sources. For each of them an economic revenue base is defined uniformly for all provinces.

To determine the amount of equalization to which a province is entitled, the province's population as a proportion of the all provinces' population and the province's revenue base as a proportion of the all provinces' revenue base for each of the 20 revenue sources are calculated. Where the former proportion is higher than the latter for any of the revenue sources, the province is said to have a fiscal capacity deficiency for that revenue source; if the magnitude of these proportions is reversed, the province is said to have a fiscal capacity excess. The total revenue of all provinces for each revenue source is multiplied by each province's respective fiscal capacity related to the appropriate revenue source and for any province, the amount of equalization payable is the sum total of the "excess" products.

Since the beginning of this program in 1967, seven provinces have received equalization payments: Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Manitoba and Saskatchewan.

## II – Provincial Revenue Stabilization Payments

Through the stabilization formula, the federal government ensures that a province's total net revenue will not be less than its immediately preceding year's net revenue if the rates and structure of its taxes remain unchanged during the two years involved. Prior to 1972, a province's revenue had to fall below 95% of its previous year's revenue to be entitled to a stabilization payment. The purpose of this program is to provide a minimum fiscal stability to the provinces, i.e., a floor under which provincial revenue cannot drop. To date no stabilization payments have been made.

## III - Tax Collection Agreements

Pursuant to the Federal-Provincial Fiscal Arrangements Act, 1962, the federal government undertook to collect for the provinces, together with its own income tax, provincial personal and corporation income taxes. All provinces, Quebec excepted, signed the agreements in respect of personal income tax, and all provinces except Quebec and Ontario, in respect of corporation income tax.

The federal tax abatement system, which prevailed until 1972, facilitated the establishment by the provinces of their own tax rates. Under this system, the abatement was deducted when determining the federa personal income tax payable and this deduction plus any additional tax imposed by the province constituted the provincial personal income tax payable. In 1967, the abatement was set at 28% of federal "basic tax" fo personal income tax and at 10% of the taxable income of corporations for corporation income tax.

The 1967 Act was amended in 1972 in order to adjust the terms of the agreements to the revision brought to the **Income Tax Act** in 1971. The abatement system was then abandoned and the federal rates of

personal income tax were adjusted downward to take account of the heretofore 28% abatement and of modifications to the structure of the federal tax system. The latter consolidated the former categories of rates into a composite scale, (e.g., the special calculation in respect of the old age security was integrated into the new rate structure). According to this new scale, it was estimated that a provincial tax rate of 30.5% of the new "basic federal tax" would produce the same revenue as did the former 28% abatement. Provincial governments, however, are free to specify rates above or below 30.5% and so determine the impact of their personal income taxes as they had been doing for some time in respect of their corporation income tax.<sup>2</sup>

## IV - Provincial Tax Revenue Guarantee Payments

The substantial changes brought to the federal Income Tax Act in 1971 lead the provinces to believe that the level of their tax revenue could be affected if they adopted similar changes. The federal government provided, therefore, a guarantee that for five years the provinces would not suffer a loss of personal and corporation income tax revenue if they adopted income tax acts modelled on the revised federal act with rates equivalent to those levied under their previous acts. Each province's personal income tax revenue is thus guaranteed at a yield equal to that obtained through the application of that province's 1971 rates to an economic base determined annually for each province in the related regulations. The calculation of revenue guarantee applicable to provincial corporation income tax revenue is made through a "side by side" analysis of each corporation's income tax returns.

## V – Transfer Payments with Respect to Tax on 1971 Undistributed Income on Hand

Prior to the 1971 Income Tax Act revision, corporations could, in lieu of paying normal taxable

dividends, elect to prepay, at a special rate of 15%, the shareholders' tax on earnings retained in the corporation. Such tax-paid earnings could subsequently be distributed to shareholders free of tax. Provisions in this respect were maintained in the revised Act for income earned prior to 1972. Part V of the Federal-Provincial Fiscal Arrangements Act, 1972 ensures that the provinces receive a share of this prepaid tax, when tax-paid earnings are remitted to shareholders. In this connection, the federal government makes transfer payment in the amount of 20% of the tax already paid.

## VI - Post-secondary Education Adjustment Payments

Part VI of the Federal-Provincial Fiscal Arrangements Act, 1972 extended for two years, i.e., until March 31, 1974, the provisions of the 1967 Act concerning federal contributions to the provinces in respect of post-secondary education. An amendment introduced in November 1973 further extended these arrangements to March 31, 1977 to coincide with the expiry date of the 1972 Act.

Under such arrangements, the federal government finances the operating costs of the provinces' post-secondary education on the basis of either 50% of such costs or a per capita grant of \$15.00 which is escalated by the year over year growth in the post-secondary education operating costs of all provinces. Total federal contributions are however subject to a ceiling of a 15% annual increase. The \$15.00 per capita grant is more favourable than the 50% sharing for the provinces of Newfoundland, Prince Edward Island and New Brunswick.

As indicated earlier, fiscal arrangemens have been established for a five-year period, thus the present ones will end in March 1977. Payments to the provinces under this Act are indicated below for fiscal year 1975 - 76.

## Payments to the Provinces Pursuant to the Federal-Provincial Fiscal Arrangements Act, 1972 1975 - 76

Equalization	\$'000 1,961,775
Stabilization	
Tax collections: Personal income tax. Corporation income tax	
Tax revenue guarantee: Personal income tax. Corporation income tax	445,977 14,534
Tax on 1971 undistributed income on hand	14,040
Post-secondary Education adjustments	

<sup>&</sup>lt;sup>2</sup> See Table 3 for provincial income tax rates.

## The Established Programs (Interim Arrangements) Act, 1964 - 65

In 1965, the provinces were given an option to assume full financial and administrative responsibility of certain federal-provincial shared-cost programs in return for fiscal compensation. To this end, the above mentioned Act was enacted in April 1965. The programs were specified in two schedules to the Act: the major programs of a continuing nature were listed in Schedule I whereas smaller and more transient programs were enumerated in Schedule II.

A province, wishing to avail itself of the provisions of the Act with respect to a Schedule I program, was required to enter into an agreement with the federal government according to which it would assume full responsibility for the administration and financing of a specified program. In return, the federal government would abate, by a given percentage, its income tax levied on the income of individuals residing within the province, would pay associated equalization and would make an operating cost adjustment. The operating cost adjustment, consisting of either a payment or recovery, was to ensure that a province would not suffer or benefit through assuming the financing of the federal share of the former joint program. Because of their smaller size and lack of continuity, the compensation associated with a Schedule II program did not provide for federal tax abatement, but was to be paid directly to the province. The Act specified the length of the interim period of the arrangements, varying for each program from March 31, 1967 to December 31, 1970, as well as the tax abatement associated with Schedule I programs. Originally, the abatement from federal "basic tax" was as follows:

Hospital Insurance Program	14%
Special Welfare Program	4 4
Technical Training Program	1%
Health Grants Program	1%
Total	20%

Quebec alone took advantage of the legislation and contracted out all Schedule I programs and one of the Schedule II programs, forestry, which was phased out in fiscal year 1966 - 67. Since all Schedule II programs have now terminated, provisions of the Act relating to such programs have been repealed.

Since the inception of the contracting-out arrangements the following changes have occurred: the special welfare program was extended in 1967 - 68 to include the new Canada Assistance Plan which was designed to replace the former categorical approach; the technical and vocational training program was discontinued at the end of fiscal year 1966 - 67 as was the health grants program, at the end of fiscal year 1971 - 72. As a consequence the Schedule I programs have, since the commencement of the 1972 - 73 fiscal year, been reduced to two: hospital insurance and special welfare.

In 1972, the Act was further amended by extending the length of the interim period for the hospital insurance program and special welfare program to December 31, 1977 and March 31, 1977, respectively. The interim period for the health grants program was not extended beyond March 31, 1972 as this program was being phased out. In addition, the original provisions concerning the payment of equalization associated with the income tax abatement were repealed as of January 1, 1972 for the hospital insurance program and April 1, 1972 for the special welfare program.

On the termination of the technical training program on March 31, 1967, the one per cent abatement associated with it was reassigned to the post-secondary program in Quebec so as to increase the tax abatement to this province from 3% to 4%, which percentage was prevailing for all other provinces. On the other hand, when the health grants program was discontinued at the end of fiscal year 1971 - 72, the related tax abatement was reallocated to the hospital insurance program. As a result, the tax abatement in favour of Quebec was, at the end of 1971 - 72, as follows:

Hospital Insurance Program	15%
Special Welfare Program (including Canada Assist-	
ance Plan)	4%
Total	19%

A further adjustment of the tax abatement occurred in 1972 with the introduction of the revised Income Tax Act. An additional 2% of basic federal income tax yield in Quebec was granted so as to keep in line with the new determination of the base following tax reform. The increased abatement was shared between the two remaining programs. Commencing with the 1972 taxation year, the total tax abatement relating to the opting-out formula was as follows:

to the opting-out formula was as follows:	
Hospital Insurance Program	16%
Special Welfare Program	5%
Total	21%

In 1975 - 76 the value to Quebec of the federal basic tax abatement and the amounts of operating cost adjustments were as follows:

	Hospital Insurance Program	Special Welfare Program
Operating Cost Adjustment	\$ 31,312,400	\$287,632,502
Personal Income Tax Abatment	639,123,727	191,085,102

These payments include prior years' adjustments in respect of either operating costs or tax abatement, or both.

## The Federal-Provincial Fiscal Revision Act, 1964

Under the federal government's Youth Allowance Program, introduced on September 1, 1964, a monthly allowance was payable for dependent children aged 16 and 17 who were full-time students or who where unable to attend school for reason of mental or physical disability. Quebec had, however, a similar program in force since 1961. To avoid paying youth allowances in a province already providing them, the federal government, under the above-mentioned Act, granted an abatement of 3% of basic federal income tax to residents of any province having such a plan in effect.

The Act also provided that where the value of the income tax abatement differed from the amount the federal government would have otherwise paid, an adjustment payment or recovery would be made. As the value of the tax abatement has been greater than the federal saving, a recovery from Quebec has been made each year since the commencement of the program.

In 1973 the federal Family Allowances Act was extended to include the 16 and 17 years old children formerly covered by the Youth Allowances Act and the latter was repealed with effect as of December 31, 1973. Quebec families became recipients of the extended

federal program and the province discontinued its schooling allowances. To avoid restructuring the Quebec tax system that the discontinuance of the tax abatement in respect of youth allowances would have required, the federal Income Tax Act was amended to maintain the abatement to Quebec residents. However, the Federal-Provincial Fiscal Revision Act, 1964 was amended to allow the federal government to recover the full value of such abatement from its payments made to Quebec pursuant to either the Federal-Provincial Fiscal Arrangements Act, 1972 or any other federal statute.

Recoveries from Quebec amounted to \$114,678,111 in 1975 - 76. This amount consists of the tax abatement (\$114,651,061) and an adjustment of \$27,050 in respect of prior years' tax abatement and operating cost. The actual value of the 3% tax abatement to Quebec in 1974, as determined from the final compilation of personal income tax returns for that calendar year, amounted to \$94,830,060, and the estimated value of 1% in 1975, amounted to \$36,475,000.

## **NOTE**

In the tables of this publication, the statutory authority under which taxes are levied at the federal and provincial levels of government is provided. The proper name of the statute or revised statute is followed by the year of the statute or revised statute, its chapter, and a statement as to whether there have been subsequent amendments, i.e., Excise Tax Act; R.S.C. 1970, c. E-13 and amendments.



## PART I

TAXES LEVIED BY THE FEDERAL GOVERNMENT



## TAXES LEVIED BY THE FEDERAL GOVERNMENT

The federal government levies a variety of taxes which apply throughout Canada. The principal of these:

income, sales and excise and custom duties and petroleum export charges, are dealt with below.

#### **Income Taxes**

Under Part 1 of the Income Tax Act, the federal government levies a tax on the taxable income of individuals and corporations resident in Canada, whether this income is derived from sources inside or outside the country. It also levies a tax on the taxable income of non-residents which is earned in Canada either from employment or from business carried on within Canada or from a gain on disposal of taxable Canadian property. Canada has entered into income tax conventions with several countries to avoid double taxation of the same income and to prevent fiscal evasion.

## Personal Income Tax

For tax purposes, the determination of the income of individuals can be described in three successive steps: the declaration of total income, the computation of net income and the determination of taxable income.

First, total income includes earnings from all sources, such as

- (a) Income from office or employment, i.e., salaries, wages, gratuities, commissions, benefits from employment, personal or living expenses, fees and allocations under profit sharing plans.
- (b) Income (or loss) from business or property, i.e., profits, interest, payments based on production or use (royalties or rents), dividends, partnership income, benefits from estates and employees profit sharing plans.
- (c) One half of realized capital gains or incurred losses.
- (d) Other sources of income, such as pensions, unemployment insurance benefits, retiring allowances, death benefits, alimony, maintenance payments, annuity payments, adult training allowance, scholarship, bursaries, research grants and family allowances.

On the other hand, total income excludes employment expenses up to the lesser of 3% of employment income or \$150.

Secondly, certain deductions from total income are permitted to determine the net income of individuals. These include the capital element of annuity payment, alimony and maintenance payments, tuition fees, contributions to a pension plan, deferred profit sharing plan, registered retirement savings plan, registered home-ownership savings plan, education savings plan, income averaging annuity contract, moving and child care expenses, depletion, exploration and development expenses.

Thirdly, taxable income is derived by subtracting from net income personal exemptions and deductions, other than those listed above, as they are set out in Table 1. As may be noted in this table, income levels in each rate brackets are 11.3% higher than in 1975 to take into account a comparable increase in the consumer price index.

## **Corporation Income Tax**

For taxation purposes, income of corporations includes all returns derived from carrying on business or from holding property. Among such returns are operating profits, investment earnings (interests, dividends, rents and royalties) and gains resulting from the disposal of capital property. Expenses, including indirect taxes, e.g., property taxes, and outlays necessary to earn a particular type of income as well as specified deductions are subtracted from the relevant return to determine the taxable income of corporations. Taxable capital gains are the net difference between one half of realized capital gains and one half of related capital losses.

The rates of corporation income taxes are set out in Table 1. There is, in the same table, a brief description of special taxes levied under the Income Tax Act namely, taxes on taxable dividends received by private corporations, on investment income of life insurers, on income from Canada of non-residents, and additional taxes on earnings of Canadian branches of foreign corporations.

## Other Important Federal Taxes

Besides income taxes the federal government levies other important taxes pursuant to various Acts, of which the most significant are the Excise Tax Act, the Excise

Act, the Customs Tariff and the Petroleum Administration Act. The main taxes levied under each of these Acts are briefly described below.

#### The Excise Tax Act

## (a) Consumption or Sales Taxes

Under Part V of the above-mentioned Act, the federal government levies a tax (usually referred to as the manufacturers' sales tax) on all goods produced in or imported into Canada unless there is a specific exemption in the Act. For goods produced in Canada, the taxable value is the selling price of the manufacturer or, under certain conditions, the purchase price of a licensed wholesaler or operator of duty free sales outlets. Where goods are imported the tax is levied on the duty-paid value of the goods. The rate is 12% on most commodities; it is 5% on building equipment and construction materials which are specified in Schedule V to the Act. A list of goods, either fully or partially exempt, is given in Table 2.

## (b) Excise Taxes

An excise tax is levied on foreign insurance premiums, other than marine, pursuant to Part I of the Excise Tax Act and on air transportation pursuant to Part II.

Most commodities subject to the consumption tax described above are also subject to the excise tax. These commodities or articles are specified in Parts III and IV of the Act as well as in the Schedule to the Act. Most of these articles are listed in Table 2. The excise tax and the consumption tax are calculated independently on the basic value of the product which is either the sale or delivered price when made in Canada, or the duty-paid-value when imported. For alcoholic beverages and tobacco products the sale price, for the purpose of the excise taxes, includes the excise duties levied under the Excise Act. The excise tax does not apply to exported goods.

#### The Excise Act

Under this Act, the federal government levies duties on tobacco and alcoholic products, other than

wines, made in Canada. These commodities are under the control of the Crown until the duty is paid and evidenced by a stamp or an approved imprint placed on the article. The duties are expressed at various unit rates based on the quantity rather than the value of the product and are applied before the above-mentioned excise taxes are levied. For similar imported products, the excise duty is included in the customs duty rates applicable.

#### The Customs Tariff

Customs duties are imposed on most imported commodities under the authority of the Customs Tariff. Imported articles are classified under various categories and a rate is established for each. There are two types of rates: a specific rate, i.e., an amount per quantity or volume, and an "ad valorem" rate which is a percentage of the dutiable value of the imported goods. This value is generally the fair market value in the country of export. In addition, these two types of rates vary according to the country of origin of the imported goods. In this respect, there are three categories: (a) British preferential rates, which are the lowest, (b) most favoured nation rates established under special agreements with certain countries and (c) general rates, which apply to imports from countries not included in (a) and (b).

## The Petroleum Administration Act

Under the authority of this Act, a charge is levied by the federal government on the export of crude oil and certain petroleum products. Rates of taxation, which vary according to the kinds and qualities of the products, consist of a specific charge per barrel or equivalent of barrels.

Table 2 sets out the rates of taxes levied under the above described Acts on various goods and activities, exclusive however of customs duties. For detail on tariff schedules, references should be made to Revenue Canada, Customs and Excise.

## 1976 Changes in Federal Taxes

#### 1. Personal Income Tax

- (a) A surtax of 10% on federal personal income tax payable which exceeds \$8,000, is in force for the 1976 taxation year.
- (b) The maximum annual limit on deductions allowable in respect of contributions to pension plans, as defined for income tax purposes, has been raised from \$2,500 to \$3,500 for employers and employees, commencing in the 1976 taxation year. In the case of persons who are self-employed, or considered as such for income tax purposes, the limit has been increased to \$5,000 from \$4,000.
- (c) The maximum limits on child care expense deduction for 1976 are increased as follows:
  \$30 (from \$15) weekly per child
  \$1,000 (from \$500) annually per child
  \$4,000 (from \$2,000) annually per family.

## 2. Corporation Income Tax

(a) The annual limit of the small business deduction is raised from \$100,000 to \$150,000 and the cumulative limit is increased from \$500,000 to \$750,000 effective for 1976.

(b) The rate of branch tax payable is limited to the maximum rate payable on dividends remitted to the resident of a country with which Canada has an income tax treaty, which is normally 15%.

## 3. Consumption or Sales Tax

The tax has been removed on certain energy-saving equipment such as solar furnaces and wind powered generating equipment, effective May 25, 1976.

#### 4. Excise Taxes

(a) Commencing August 1, 1976, the weight threshold at which the tax on heavier motor vehicles takes

- effect is reduced by 250 pounds for cars and 350 pounds for station wagons. The rate is increased by \$10 for the first excess 100 pounds; \$15 for the second 100 pounds; \$20 for the third 100 pounds and \$30 for each subsequent 100 pounds.
- (b) A tax of \$100 on motor vehicle air conditioners, at the point of manufacture, was introduced to take effect May 25, 1976.
- (c) It is proposed to extend the Air Transportation Tax to include fares purchased outside Canada by a person using Canadian airports.

All the changes outlined above are integrated in Tables 1 and 2.

## TABLE 1. Income Taxes Levied by the Federal Government

Personal income tax	
1. Statutory authority	Income Tax Act (Part I) S.C. 1970-71-72 c. 63 and amendments.
2. Basis	Taxable income of residents and taxable income earned in Canada of non-residents.
3. Rate	6% on the tirst 3654 of taxable motions  3 9 on \$ 654 plus 18% on next \$ 653  157 " 1,307 " 19% " " 1,307  405 " 2.614 " 20% " " 2,614  1,216 " 6,535 " 23% " " 2,614  1,817 " 9,149 " 25% " " 2,614  2,470 " 11,763 " 27% " " 2,614  2,470 " 14,377 " 31% " " 3,921  4,392 " 18,298 " 35% " " 13,070  8,966 " 31,368 " 39% " " 19,605  16,612 " 50,973 " 43% " 27,447  28,414 " 78,420 " 47% on excess.
4. Personal exemptions	Marned taxpayer \$3.9 Single taxpayer 2.0 Dependant child under 16 years of age 3 Other dependants (as defined by law) 7 Taxpayer aged 65 years or over (transferable to spouse) 1,3
5. Deductions	Charitable donations up to 20% of net income.  Gifts to the federal or provincial governments.  Medical expenses in excess of 3% of net income.  An optional standard deduction of \$100 in lieu of claiming charitable donations and medical expenses. \$1,307 for blind persons or persons confined to a bed or wheelchair (transferable to spouse).  Payments of supplement under Old Age Security Act.  \$50 for each month in attendance at a post-secondary institution for students and/or supporting individu (transferable to spouse).  Interest and Canadian dividend income up to \$1,000 (transferable to spouse).  \$1,000 for pension income other than from universal pension plans (transferable to spouse).  Non-capital losses sustained in any of the five preceding years, net capital losses up to the amount of a taxable capital gains (maximum of \$1,000 may be deducted from other sources of income) and restricted fa losses of prior years to the extent of farm income.
6. Tax reductions and credits	General averaging when income exceeds 120% of average income of the preceding four years or 110% income for the immediately preceding year.  Averaging for farmers or fishermen for a block of five years.  24% tax abatement for income earned in Quebec in compensation for the province's opting-out of cert shared-cost programs.  A general 8% of tax payable with a minimum of \$200 and a maximum of \$500.  20% of the taxable amount (actual amount plus one-third of this amount) of dividends from taxable Canad corporations.  A foreign tax credit applicable to foreign non-business income and income from business carried on in a fore country.  A logging tax credit which is the lesser of 2/3 of logging taxes paid to a province or 6 2/3% of income fr logging operations.  A portion of political contributions to federal registered parties and candidates up to a maximum of \$500.
7. Surtax	30% on income earned in the Yukon and Northwest Territories and in another country. 10% on personal income tax payable exceeding \$8,000.
Corporation income tax	Jacomo Tay Act. Post I
8. Statutory authority	Income Tax Act; Part I.
9. Basis	Total taxable income of corporations and taxable income of foreign corporations earned in Canada.
10. Rate	46%.
11. Deductions	
	Gifts to the federal or provincial governments.  Non-capital losses sustained in any of the five preceding years, net capital losses and restricted farm losse prior years to the extent of a corporation's net capital gain and farm income respectively.  Taxable dividends from a taxable Canadian corporation and from a controlled subsidiary resident in Can with certain minor exceptions. (Dividends received from non-resident or foreign corporations are generally deductible.)

## TABLE 1. Income Taxes Levied by the Federal Government — Concluded

Corporation income tax – Concluded	
12. Tax reductions and credits	<ul> <li>10% abatement of taxable income earned in a province.</li> <li>21% for Canadian-controlled private corporations on first \$150,000 of income from an active business carried on in Canada to the overall limit of \$750,000.</li> <li>6% on manufacturing and processing profits (5% when qualifying for small business deduction).</li> <li>Logging tax credit.</li> <li>Federal political contributions tax credit.</li> <li>5% investment tax credit applicable to new buildings, machinery and equipment acquired between June 24, 1975 and July 1, 1977</li> </ul>
3. Special rules	
or openial dies	Private corporation: A refund of 25% of corporate taxes paid in respect of Canadian investment income and foreign investment income (other than dividends) when taxable dividends are paid to shareholders.  Investment corporation: Investment income qualifies for 25% reduction in normal corporate rates. Realized capital gains are taxed at normal corporate rates (refundable when gains are distributed to shareholders as capital gains dividends). Dividends from taxable Canadian corporations are exempt.
Tax on taxable dividends received by private corporations	
4. Statutory authority	Income Tax Act; Part IV.
5. Basis	Private corporations' taxable dividends.
r. Rate	33 1/3% (refundable when taxable dividends are paid)
	i
Tax on 1971 undistributed income on hand	
7. Statutory authority	
s. Basis	Election to prepay special tax on 1971 undistributed income on hand.
r Rate	. 15%
Tax on investment income of life insurers	
). Statutory authority	Income Tax Act; Part XII.
. Basis	Investment income of life insurers.
Rate	15%
Tax on income from Canada of non-resident persons	
Statutory authority	Income Tax Act; Part XIII.
Basis	<ul> <li>(a) Amounts paid to a non-resident: General rate on management fees, interest, trust income, rents, royalties, alimony, pension payments, rental of motion picture film and dividends.</li> <li>(b) Dividends paid by a corporation having a degree of Canadian ownership (25% of voting equity stock).</li> </ul>
Rates	(a) 25% (b) 20% except where limited by treaty.
. Laemptions	Interest on certain bonds issued or guaranteed by the government of Canada or on certain obligations issued before December 20, 1960.  Interest on certain corporate debt securities issued after June 23, 1975 and before December 31, 1978. Dividends or interest payable by a non-resident-owned investment corporation.  Copyrights.  Payments to holder of a certificate of exemption.
Additional tax on non-Canadian corporations carrying on business in Canada	
Statutory authority	Income Tax Act; Part XIV.
Basis	Taxable income earned in Canada reduced by tax already paid.
Rate	25% (except where limited by treaty).

## TABLE 2. Other Important Federal Taxes

Consumption or sales tax	
1. Statutory authority	Excise Tax Act (Part V) R.S.C. 1970, c. E-13 and amendments.
2. Basis	Manufacturers' selling price or duty paid value of imports.
3. Rate	General rate: 12%. Schedule V: 5%.
4. Comments	Schedule III (fully exempt articles):  Covering or containers; diplomatic articles; educational material; farm and forest products; foodstuffs; fuel a electricity; health material; marine and fisheries items; mines and quarries material; municipaliti production equipment, processing materials and plans; goods manufactured in institutions; clothing and fowear; construction equipment; transportation equipment; insulation material and other miscellaneous item Schedule V (articles taxed at a reduced rate):  Construction materials and equipment for buildings.
Insurance premiums other than marine	
5. Statutory authority	Excise Tax Act (Part I) R.S.C. 1970, c. E-13 and amendments.
6. Basis	Premiums in respect of insurance effected outside Canada.
7. Rate	10% of the net premium paid.
8. Comments	Does not apply to insurance against life, personal accident, sickness, marine risk or nuclear risk.
Air transportation tax	
9. Statutory authority	Excise Tax Act (Part II) R.S.C. 1970, c. E-13 and amendments.
10. Basis and rate	Value of air transportation paid in Canada:         Canada, Continental U.S.A., St. Pierre and Miquelon
Special excise tax	
11. Statutory authority	Excise Tax Act (Parts III and IV) R.S.C. 1970, c. E-13 and amendments.
12. Basis and rate	Part III, articles enumerated in Schedule I:   Lighters

## TABLE 2. Other Important Federal Taxes - Concluded

Special excise tax - Concluded	
l. Basis and rate	Part III, articles enumerated in Schedule II:  Cigarettes Tobacco-manufactured \$0.03 per 5 \$0.09 per pound  Part IV: Playing cards Wines (excluding imports. Custom duties on imports are set to take into account the taxes levied on domestic production of wines): Wine containing 7% or less alcohol Nonsparkling wines containing more than 7% alcohol but not over 40% proof spirit Champagne and all other sparkling wines Additional levy (applied to domestic and imported wines): Wines containing 7% or less alcohol Wines containing 7% or less alcohol Solo \$0.025 "" Wines containing more than 7% alcohol Solo \$0.025 ""
Excise duties	
. Statutory authority	Excise Act; R.S.C. 1970, c. E-12 and amendments.
. Basis and rate	(a) Spirits:  Domestic potable spirits on the strength of proof distilled in Canada  Non-potable spirits used in the manufacture of:  Medicines, extracts, pharmaceutical preparations, etc.  Approved chemical compositions  Spirit sold to druggist for preparation of prescriptions  Imported spirits taken into bonded manufactory, in addition to other duties  Canadian brandies  Solution  Solution  (b) Tobacco — On domestic production:  Manufactured tobacco excluding cigarettes  Cigarettes weighing not more than 3 lb. per 1,000  Cigarettes weighing more than 3 lb. per 1,000  Cigarettes we
Comments	<ul><li>(a) These duties do not apply to spirits used to treat domestic wine or in the manufacture of vinegars or cosmetics.</li><li>(b) Imported tobacco products are not subject to excise duties but the custom duties to which they are liable include an element in respect of excise.</li></ul>
Customs import duties	
Statutory authority	Customs Tariff; R.S.C. 1970, c. C-41 and amendments.
Basis and rate  Comments	Either ad valorem duty which is based on a percentage of the value of goods imported or specific rates apply under the following categories:  (a) British preferential (lowest).  (b) Most favored nation (under special agreement with various countries).  (c) General (applicable to countries not included in (a) and (b)).  The tariff schedules are too lengthy and complicated to be summarized here. The rates applicable to a particular item may be obtained from Revenue Canada, Customs and Excise.
Petroleum export charge  Statutory authority	Petroleum Administration Act; S.C. 1975, c. 47.
Basis and rate	Oil products exported as of June 1976:       \$3.70 per barrel         Eloydminster type crude       \$3.70 per barrel         Selected crude less than 25 A.P.I.       3.80 " "         Condensate       4.60 " "         All other crude       4.60 " "         Motor gasoline       4.75 " "         Middle distillate       3.25 " "         Heavy fuel oil       3.25 " "         Partially processed oil       4.60 " "



## PART II

TAXES LEVIED BY PROVINCIAL GOVERNMENTS



## TAXES LEVIED BY PROVINCIAL GOVERNMENTS

The principal taxes levied by provincial governments are highlighted under three headings: income

taxes, consumption taxes and miscellaneous levies.

#### **Income Taxes**

In addition to personal and corporation income taxes, some provincial governments levy capital and gift taxes as well as succession duties. Even though the latter are generally considered as a tax on wealth, they are dealt with here under the general heading of income taxes.

## Personal Income Tax

All provincial governments levy a tax on the income of individuals who reside in or, in the case of non-residents, who earn an income from sources within provincial boundaries. The province of residence on the last day of a taxation year, i.e., 31st December, determines the provincial income tax to be paid at the rates prevailing in that province. The tax is calculated on the basis of total income for the year (except business income) regardless of where that income was earned. The portion of business income which is earned in provinces other than the province of residence is allocated among the permanent establishments outside that province and the portion which is earned in the province of residence is attributed to that province.

The rates applicable in each province (as set out in Table 3) are expressed as percentages of "basic federal tax", 1 except in Quebec where rates are based directly on income. Some provinces employ tax credit and rebate measures to alleviate the weight of their taxes on low income taxpayers. These measures are indicated in Table 3. As noted above, the federal government, pursuant to Tax Collection Agreements, collects provincial personal income tax (Quebec excepted) according to the rates and special legislation established under provincial statutes.

The province of Quebec has its own personal income tax system under which tax is computed, not as a percentage of the "basic federal tax" as in the case of other provinces, but by reference to a graduated rate schedule which takes into account the federal income tax abatement. As noted above (page 8) the federal abatement of 24% of the "basic federal tax" relates to the fiscal compensation granted to Quebec for financing shared-cost programs and schooling allowances which are financed by the federal government in the other provinces.

In addition to being unlike the other provinces, the Quebec system also differs from the federal system

<sup>1</sup> The basic federal tax is the amount computed according to the graduated rate schedule appearing on page 16.

in respect of the lower brackets of taxable income, of personal exemptions and of payments of non-taxable supplementary family allowances which are made in lieu of the federal adjustments to taxable income for changes in the consumer price index.

Most of the above-mentioned differences and the Quebec rate schedule are indicated in Table 3.

## **Corporation Income Tax**

All provinces levy a tax on corporation taxable income derived from activities carried on within their jurisdiction. In provinces, other than Quebec and Ontario, the provincial corporation income tax is levied on the same base as that established for federal corporation income tax purposes and is collected by the federal government pursuant to Tax Collection Agreements. These provinces can, however, modify somewhat the taxable base, as they do for personal income tax described above; the main modifications are indicated in Table 3. Quebec and Ontario, who collect their own tax, follow closely, but not exactly, the federal rules in the determination of corporation taxable income.

## **Capital Taxes**

Four provinces: Quebec, Ontario, Manitoba and British Columbia, levy a tax on the paid-up capital of corporations operating within their boundaries. Paid-up capital broadly includes share capital, surplus, long and certain short term debts, and reserves except for depreciation, depletion and doubtful debts. In all four provinces, there are special provisions and rates for specified companies, such as telecommunications companies, banks and other financial establishments. Quebec levies, in addition to a capital tax, a tax on places of business.

## Gift Taxes and Succession Duties

Five provinces levy and collect gift taxes and succession duties: Quebec, Ontario, Manitoba, Saskatchewan and British Columbia. The gift tax is levied on the aggregate taxable value of gifts made by a donor resident in a province as well as a gift of real property situated within a province made by a donor who is not a resident in the province. This tax complements succession duties in the sense that gifts made within a specified period of time prior to death are taken into account for succession duty purposes. The period is five years in Quebec and Ontario and three years in Manitoba, Saskatchewan and British Columbia. While tax rates on inter vivos gifts are the same in all

provinces, succession duty rates as well as criteria used to determine the rates applicable to a succession vary among them. All provinces have special provisions which take into consideration the degree of relationship between the beneficiary and the deceased.

Further details on as well as the currently prevailing rates of capital and gift taxes and successions duties are given in Table 4.

## **Consumption Taxes**

Consumption taxes levied by provincial governments conform to the constitutional limitations requiring that they be not only direct, but that they be exigible only within the province. Although this type of tax is paid by the purchaser, it is collected by the supplier or seller, acting as a government agent, who is generally compensated by a commission on the sales tax collected. The most important of these levies are taxes on retail sales, motive fuels, tobacco, meals, lodging, telephone services and telecommunications.

#### Retail Sales Tax

All provinces, except Alberta, tax at the retail level, a wide range of consumer goods and services purchased in or brought into the province. The tax is payable on the selling price of tangible personal property, defined to include certain services, purchased for own consumption or use and not for resale. Each provincial Act, however, specifies a number of goods that are exempt. Exemptions include items related mainly to necessities of life and to material used in the farming and fishery industries. Table 5 A gives a list of the main exemptions as well as the prevailing rates in each province.

#### Motive and Other Fuel Taxes

All provinces and territories impose a tax at a specific rate (i.e., an amount per gallon) on fuels purchased within their boundaries. For purposes of taxation, fuels generally include motive fuels, heating fuel and fuel used for operating a stationary engine. Fuels used in certain types of activities such as farming, fishing, mining or logging are either exempt or are taxed at a preferred rate.

## Tobacco Taxes

A tax on sales of cigarettes, cigars and other tobacco products is levied in all provinces and, since 1974, in both the Yukon and Northwest Territories. Although rates of taxation vary among provinces, generally the rate applies to a quantity of tobacco products; in a few cases the tax takes the form of an "ad valorem rate" based on the retail price.

## Meals and Lodging Tax

Except as noted, all provinces tax prepared meals priced over a fixed amount and transient accomodations. The exemptions are Alberta in both cases and

Saskatchewan and British Columbia in the case of meals only. In most provinces, these are taxed under the retail sales tax Acts, except in Quebec where such taxes are levied under the Meals and Hotels Tax Act, and in British Columbia where the tax on transient accomodations is levied pursuant to the Hotel and Motel Room Tax Act.

## Telephone and Telecommunications

All provinces tax local telephone services under their retail sales tax Act. In most cases, long distance telephone calls and other telecommunications are also taxed under the retail sales tax acts. In Quebec and Nova Scotia however these services are taxed under the Telecommunications Tax Act and under the Corporation Tax Act respectively. In Alberta long distance telephone calls and telecommunications are tax exempt.

## Taxes on Alcoholic Beverages

Provincial governments derive substantial amounts of revenue through the sale of alcoholic beverages by provincial agencies operating as boards or commissions which exercise monopolistic control over the distribution of these products. The markups of these agencies are tantamount to taxation. The markups are not publicized and thus are not reported in this publication.<sup>2</sup> In certain provinces beer and/or wine are sold by private retailers as well as by liquor board or commission outlets. In the case of private retailers, licence and other fees are substituted for government markups.

In addition to the markups, sales to individuals are subject to the retail sales tax Act in most provinces. Generally the rates applicable are those prevailing for general retail sales, but in Ontario and Manitoba special rates apply. Licensees, i.e., owners of establishments where alcoholic beverages can be sold for on-premises consumption, do not pay the sales tax on their purchases, but act as colleting agents for the tax paid by the purshaser. In Quebec, this latter tax is levied under the Meals and Hotels Tax Act. The Yukon territory imposes a surcharge on all liquor purchased at a government liquor store.

Rates of and details on the above-described consumption taxes, other than the general sales tax, are given in Table  $5\ B$ .

<sup>&</sup>lt;sup>2</sup> For information on the revenue derived by the provinces from the sale of alcoholic beverages, refer to *The Control and Sale of Alcoholic Beverages in Canada*, Catalogue 63–202.

## Miscellaneous Provincial Levies

Provincial governments resort to a variety of levies related to the exploitation of natural resources within their boundaries, to motor vehicle driving and registration, to admissions to places of amusement and to race track bettings. Three provinces and one territory levy premiums and one province, a payroll tax, to help finance their hospitalization and medical care programs.

Five provinces levy real property taxes. In Prince Edward Island and New Brunswick, where services formerly carried out by municipal authorities (education, health, welfare and administration of justice) were taken over by provincial governments, the real property tax field is shared by both provincial and municipal governments. The provincial governments levy a flat rate

real property tax on a province-wide basis and each municipality has its own separate rate as required to meet its expenditure. All collections, however, are made by the provinces which remit the municipal share to individual municipalities. Nova Scotia levies a "land tax" of limited application. In unorganized (non-municipal) areas, Ontario imposes a property tax on the assessed value of any land and fixes a minimum annual amount. British Columbia levies and collects a provincial property tax in non-municipally organized areas at rates varying between farm and wild land.

Details on most of the above-mentioned levies are shown in Table 6.

## 1976 Changes in Provincial Taxes

## 1. Personal Income Tax

- (a) Newfoundland: In the supplementary budget brought down on November 24, 1975, the rate was increased by two percentage points bringing the total rate to 42%, effective July 1, 1976. The average rate for the 1976 taxation year is thus 41%.
- (b) New Brunswick: As indicated in last year's publication, the rate has been reduced by 2%, i.e., from 41.5% to 40.6%, effective January 1, 1976.
- (c) Manitoba: A 20% surtax has been implemented, as of January 1, 1976 on provincial tax payable in excess of \$2,120. Effective on the same date, the maximum and minimum amounts of real property tax credit granted through personal income tax have been increased by \$50 and \$25 respectively.
- (d) Saskatchewan: A 10% surtax will be applied to provincial tax payable in excess of \$1,500 for the 1976 taxation year.
- (e) **British Columbia**: Effective July 1, 1976, the rate will increase from 30.5% to 32.5% making the average rate 31.5% for the 1976 taxation year.

## 2. Corporation Income Tax

- (a) Newfoundland: Effective January 1, 1976, the rate went from 13% to 14%.
- (b) Nova Scotia: The rate increased by two percentage points, i.e., from 10% to 12%, effective January 1, 1976.
- (c) Quebec: The preferential rate granted to investment corporations, mutual fund corporations and non-resident owned corporations is repealed effective May 12, 1976. Those corporations are now taxed at the general corporation income tax rate, i.e., 12%.
- (d) Ontario: The tax rate for small businesses has been reduced from 12% to 9% effective April 7, 1976.

- However, the tax credit that was granted to them is abolished.
- (e) Manitoba: The rate went from 13% to 15% effective January 1, 1976 except for small businesses which remained at 13%.
- (f) British Columbia: The general rate went from 13% to 15% and the rate applicable to small businesses went from 10% to 12%, both increases take effect on January 1, 1976.

## 3. Capital Taxes

Manitoba: A tax of 1/5 of 1% will be levied on taxable capital, i.e., any amount over \$100,000, of corporations whose fiscal year ends after June 30, 1976. Cooperatives, credit unions, family farms and charitable organisations are exempt.

#### 4. Gift Taxes

Saskatchewan: The disposition relative to the once-in-a-lifetime gift exemption has been amended in order to include gifts of a small business.

## 5. Succession Duties

Quebec: The basic rate has again been reduced by 20% effective January 1, 1977.

## 6. Retail Sales Tax

(a) Newfoundland: In a supplementary budget brought down on November 24, 1975, the rate has been increased by 2%, going from 8% to 10%, effective at that date. At the same time, clothing purchases were added to the list of exemptions and the minimum amount taxable has been increased from \$0.08 to \$0.20.

- (b) Prince Edward Island: Effective March 23, 1976 the following goods became exempt: insulating materials, storm windows and storm doors as well as certain alternate energy sources such as wood burning stoves, solar heating systems and windmills.
- (c) Nova Scotia: The rate went from 7% to 8% effective March 20, 1976.
- (d) Quebec: The abatement granted to manufacturers and mining companies, which was proportional to their sales outside the province, has been repealed on May 12, 1976 as well as the temporary plan of exemptions pertaining to production equipment. These have been replaced by a total exemption on production equipment bought or rented for the production of moveable property for sale. Conditioning material such as abrasives, filtering and sifting materials are also exempt if they are used directly in the production of moveable property for sale.
- (e) Ontario: The rate which had been reduced from 7% to 5% for the period between April 8, 1975 and December 31, 1975 has been re-established at 7% on January 1, 1976. However, effective April 7, 1976, an exemption is granted on purchases of insulation materials to be used in existing houses and the maximum tax free price of meals has been increased by \$1.00, i.e., from \$4.00 to \$5.00.
- (f) Manitoba: As of April 14, 1976 railway rolling stock has been deleted from the list of exemptions. Also, the right to levy and collect additional sales taxes on liquor, hotel accommodation and restaurant meals costing more than \$3 was given to municipalities. No effective date is mentioned.
- (g) **British Columbia**: The rate increased from 5% to 7% on March 27, 1976.

#### 7. Motive and Other Fuel Taxes

- (a) Newfoundland: An increase of \$0.02 per gallon on gasoline and diesel fuel has been made effective March 26, 1976.
- (b) Manitoba: Effective May 17, 1976, an increase in rate has been implemented for the following:

Aviation fuel	\$0.02	per	gallor
Locomotive diesel fuel	\$0.05	66	66
Fuel oil used for commercial			
heating	\$0.015	4.4	6.6
Bunker fuel	\$0.0166	6.6	44

The refund for diesel fuel used in off-highway vehicles has been reduced by \$0.05 per gallon, i.e., from \$0.16 to \$0.11.

(c) Saskatchewan: The rate on gasoline has been increased by \$0.03 per gallon and the rate on diesel fuel, by \$0.05 per gallon, effective March 25, 1976.

## 8. Tobacco Taxes

- (a) Nova Scotia: On March 20, 1976 the tax was raised to 1/2 of \$0.01 per cigarette.
- (b) Quebec: The rates have been increased by 2/5 of \$0.01 per cigarette and by 5% of the retail price of cigars and other tobacco products, effective May 12, 1976.
- (c) Ontario: The tax on cigarettes has been increased by 1/4 of \$0.01 per cigarette as of April 7, 1976.
- (d) Manitoba: An increase of 1/5 of \$0.01 per cigarette and an increase ranging from \$0.01 and \$0.07 for cigars has been made effective May 17, 1976.
- (e) Saskatchewan: The tax on cigarettes has been increased by 6/25 of \$0.01 per cigarette effective March 24, 1976.
- (f) British Columbia: An increase of 4/25 of \$0.01 per cigarette has been made effective March 27, 1976.
- (g) Yukon: Effective April 1, 1976, the tax on cigarettes has been increased by 1/5 of \$0.01 per cigarette. Rates on other tobacco products have also been increased.

## 9. Telecommunications Tax

Nova Scotia: The tax on long distance telephone call has been raised by \$0.02 on each \$0.50 part of a call, effective April 1, 1976.

#### 10. Alcoholic Beverage Tax

- (a) Prince Edward Island: Whereas dealers previously paid the tax on their purchases of alcohol, they will, as of May 3, 1976, collect it as agent of the government on the per-glass selling price of alcohol consumed in their establishment.
- (b) Yukon: With the introduction of a liquor tax ordinance on April 1, 1976 the rates of tax on alcoholic beverages purchased in a liquor store or warehouse have been raised as follows: \$0.35 per bottle of wine and \$0.30 per bottle of spirit.
- (c) The retail price of alcoholic beverages has been raised in most provinces. Since these increases vary depending on the category of products, the list of such increases is not supplied in this publication.

#### 11. Insurance Premium Taxes

- (a) Nova Scotia: The tax on fire insurance premiums has been replaced, on April 1, 1976, by a tax of 3/4 of 1% on property insurance premiums.
- (b) Ontario: The tax rate has been brought from 2% to 3% on April 7, 1976.
- (c) Yukon: A tax of 2% on gross premiums received by insurance companies has been implemented on January 1, 1976.

## 12. Motor Vehicle Registration and Driving Permits

- (a) Newfoundland: The cost of driving permits went from \$9 to \$15 for three years on January 1, 1976. There has also been, on the same date, an increase in registration fees. The new rates are shown in Table 6.
- (b) Prince Edward Island: Driving permits have been raised by \$2 for one year whereas registration fees have been lowered effective January 2, 1976.
- (c) Nova Scotia: Registration fees for passenger vehicle will go from \$1.00 to \$1.25 per hundredweight effective January 1, 1977.
- (d) Ontario: The annual fee for drivers of uninsured motor vehicles is raised from \$60.00 to \$100.00, effective December 1, 1976.
- (e) Manitoba: The method used in the registration of motor vehicle will be modified on March 1, 1977. Instead of being based on the wheelbase of motor vehicles, the charge will be determined by their weight and their age. In February 1977, the minimum cost will go from \$12 to \$15. Effective March 1977, registration fees of commercial vehicles will be increased by 10% and slide-in camper units will have to be licensed.

# 13. Hospitalization and Medical Care Premiums and Payroll Taxes

(a) Quebec: Employees contributions will be raised from 0.8% to 1.5% of net revenue, on June 1, 1976. The maximum annual contributions will also be increased

- from \$125 to \$235 for employees and from \$200 to \$375 for self employed individuals.
- (b) Ontario: Starting May 1, 1976, the monthly premiums for health insurance have been increased by \$5 for taxpayers without dependants and by \$10.00 for taxpayers with dependants.
- (c) Alberta: On April 1, 1976, annual premiums for health insurance went from \$69 to \$76.80 for taxpayers without dependants and from \$138 to \$153.60 for taxpayers with dependants.
- (d) British Columbia: Monthly premiums as of July 1, will be modified in the following manner:

Taxpayers without de-	
pendants	from \$ 5.00 to \$ 7.50
Taxpayers with two dependants	" 10.00 " 15.00
Taxpayers with more than two dependants	" 12.50 " 18.75

## 14. Miscellaneous Taxes

Quebec: Starting on May 12, 1976, duties, at the rate of 33%, will be levied on transfers of immoveable property to non-residents.

The above-described changes in provincial taxes are incorporated in Tables 3 to 6. Modifications in most of these taxes can be traced over a ten-year period in the historical tables included in Part IV.

TABLE 3. Income Taxes Levied by Provincial Governments

			TABLE 5. Income 1	axes Beried by 1101		
No.	Category	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
	Personal income tax tatutory authority.	The Income Tax Act; R.S.N.	Act; R.S.P.E.I.	The Income Tax Act; R.S.N.S.	The Income Tax Act; R.S.N.B. 1973, c. 1-2.	The Taxation Act; S.Q. 1972, c. 23 and amen ments.
		1970, c. 163.	1974, c. I-1 and amendments.	1967, c. 134 and amendments.		T
2 B	asis	Basic federal tax.	Basic federal tax.	Basic federal tax.	Basic federal tax.	Taxable income of individuals.
3 R	ate	42%1 (July 1, 1976)	36%	38.5%	40.67%	0% on first \$2,000 of taxable income 0 on \$2,000 plus 16% on next \$7,0 \$1,120 " 9,000 " 18% " 2,0 1,480 " 11,000 " 20% " " 3,0 2,080 " 14,000 " 22% " " 10,0 4,280 " 24,000 " 24% " " 15,0 7,880 " 39,000 " 26% " " 21,0 13,340 " 60,000 " 28% on excess
4   0	Comments	-		-	_	Personal exemptions:  Married taxpayer
İ		1	1			
			1			
	Corporation income tax	(1				
	Statutory authority	The Income Tax Act; R.S.N. 1970, c. 163.	The Income Tax Act; R.S.P.E.I. 1974, c. I-1 and amendments.	The Income Tax Act; R.S.N.S. 1967, c. 134 and amendments.	The Income Tax Act; R.S.N.B. 1973, c. I-2.	The Taxation Act; S.Q. 1972, c. 23 and am ments.
6	Basis	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.
7	Rate	14%	10%	12%	10%	12%
8	Comments	-		-	-	

 $<sup>^{1}</sup>$  The effective rate over the 1976 taxation year will be 41%.

TABLE 3. Income Taxes Levied by Provincial Governments

		ncome Taxes Levied by Proving	iciai Governments		
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	No
The Income Tax Act; R.S.O. 1970, c. 217 and amendments.		The Income Tax Act; R.S.S. 1965, c. 62 and amendments.	The Alberta Income Tax Act; R.S.A. 1970, c. 182 and amendments.	The Income Tax Act; S.B.C. 1962, c. 27 and amendments.	
Basic federal tax.	Basic federal tax.	Basic federal tax.	Basic federal tax.	Basic federal tax.	2
30.5%	42.5%	40%	26%	32.5% <sup>2</sup> (July 1, 1976)	. 3
a tax credit which is the aggregate of:  a) Property tax credit (lesser of \$180 or occupancy cost, plus 10% of occupancy cost).  b) Sales tax credit (1% of personal exemptions).  Pensioner tax credit (\$110 for each person age 65 or over).  css 2% of taxable income.  Maximum credit of \$500.)  addividuals whose Ontario income tax does not exceed \$61 are exempt.	Surtax of 20% on provincial income tax exceeding \$2,120 A property tax credit which is the lesser of: (a) \$350 less 1% of taxable income (minimum \$200). (b) Total property taxes or 20% of total rental payments.  A cost of living tax credit which is: 3% of personal exemptions less 1% of taxable income.	Surtax of 10% on provincial income tax in excess of \$1,500 A tax reduction which is the lesser of the tax payable or \$100.	A renter credit which is:  (a) \$90 plus 2% of total rent payments less 1/2 of 1% of taxable income.  (b) 20% of rent paid less 1/2 of 1% of taxable income, when the total rent is less than \$500.  The minimum credit is the lesser of \$50 or 20% of total rent paid.  A reduction of the lesser of provincial tax payable or \$80 minus 2% of taxable income, when taxable income is below \$4,000.	A renter credit of \$100 minus 1% of taxable income, for individuals with gross income under \$15,000. Maximum credit 10% of annual rent. Minimum credit \$80 for senior citizens.	4
e Corporations Tax Act; S.O. 1972, c. 143 and amendments.  Exable income earned in the province.	The Income Tax Act (Manitoba); R.S.M. 1970, c. I-10 and amendments.  Taxable income earned in the province.	The Income Tax Act; R.S.S. 1965, c. 62 and amendments.  Taxable income earned in the province.	The Alberta Income Tax Act; R.S.A. 1970, c. 182 and amendments.  Taxable income earned in the province.	The Income Tax Act; S.B.C. 1962, c, 27 and amendments.  Taxable income earned in the province.	5
12%/9%	15%/13%		11%		7
2 9% rate is applicable to small businesses.	The 13% rate is applicable to small businesses.	Refund of the tax paid due to the inclusion of royalties in the tax base dependant on the production of petroleum, natural gas, metal or industrial mineral.	Refund of the tax paid due to the inclusion of royalties in the tax base dependant on the production of petroleum, natural gas, metal or industrial mineral.	The 12% rate is applicable to small businesses.  Refund of the tax paid due to the inclusion of royalties in the tax base dependant on the production of petroleum, natural gas, metal or industrial mineral.	8

<sup>&</sup>lt;sup>2</sup> The effective rate over the 1976 taxation year will be 31.5%.

TABLE 4. Capital and Gift Taxes and Succession Duties

TABLE 4. Capital and Gift Taxes and Succession Duties								
No.	Category	New- found- land	Prince Edward Island	Nova Scotia	New Bruns- wick	Quebec	Ontario	
,	Capital tax							
1	Statutory authority		_	-	-	The Taxation Act; S.Q. 1972, c. 23 and amendments.	The Corporations Tax Act; S.O. 1972, c. 143 $\epsilon$ amendments.	
2	Basis	-	_	-	-	(a) Paid-up capital of corporations. (b) Places of business in Province. (c) Inoperative corporations.	Paid-up capital of corporations.	
3	Rates	-	_	-	-	(a) 1/5 of 1%. (b) \$50 (\$25 when paid-up capital is less than \$25,000). (c) \$20.	1/5 of 1%.	
4	Comments	-	www.	_	_	Other rates and/or bases of taxation apply to certain classes of corporations,i.e., banks, loans, telegraph, railway, gasoline, liquor, investment mining.	There is a minimum tax of \$50. A special applies to banks.	
						A special tax in the form of an additional 1/3 of 1% is levied on telephone and oil refining corporations paid-up capital.		
	Gift tax						COS TO 1 10 1072 12 12 13 14 15 15 15 15 15 15 15 15 15 15 15 15 15	
5	Statutory authority	-	_	_	-	The Taxation Act; S.Q. 1972, c. 23 and amendments.	The Gift Tax Act; S.O. 1972, c. 12 and amendmen	
6	Basis	_	_	_	-	Aggregate taxable value of gifts made in the year.	Aggregate taxable value of gifts made in the year.	
7	Rates	_	-			15% on the first \$25,000   \$3,750 on \$25,000 plus 20% on next \$25,000	31,250 " 125,000 " 40% " " 25,	
8	Exemptions	_		-		Testamentary gifts and gifts taking effect on the death of the donor.  Gifts to Canadian charitable organizations or to any government in Canada.  Gifts up to \$15,000 a year to a spouse. Gifts up to \$3,000 a year to any other donee with an aggregate annual maximum of \$15,000.  Once-in-a-lifetime deduction of \$75,000 for any farmer making an inter vivos gift of his land or other farm property to one or more of his children.		
9	Comments	_	_		_	-		
	Succession duties	1	1					
10	Statutory authority	-	-	-	-	The Succession Duties Act; R.S.Q. 1964, c. 70 and amendments.	The Succession Duty Act; R.S.O. 1970, c. 449 amendments.	
11	Basis	-	_	-	-	<ul><li>(a) Aggregate value of succession.</li><li>(b) Share of each individual's inheritance.</li></ul>	<ul><li>(a) Aggregate value of succession.</li><li>(b) Share of each individual's inheritance.</li></ul>	
12	Rates	-	-	_	_	(a) On estate:  Direct line - 5% to 15%.  Collateral line - 4% to 20%.  Strangers - 10% to 30%.  (b) On individual's share in estate:  Direct line - 1% to 10%.  Collateral line - 1% to 10%.  Strangers - 2% to 5%.  (60% deduction on duties otherwise payable).	(a) On estate: Preferred line – 11% to 28%. Collateral line – 24% to 34%. Strangers – 35% to 70%. (b) On individual's share in estate: Preferred line – 6.5% to 30%. Collateral line – 8.5% to 26%. Strangers – Nil.	
1.	3 Exemptions			-		\$150,000 if estate is transmitted to direct line beneficiary.  \$10,000 if estate is transmitted to collaterals or strangers.  Amounts derived from contributions towards a pension plan and reimbursements of contributions toward such a plan.  Bequests to Canadian charitable organizations.  \$1,000 if transmitted to employee of deceased.	Estates passing to a surviving spouse.  An additional \$3,000 for each full year the dependant child is under 26 years of age, a additional \$6,000 for each full year the	
1	4   Comments		_		_	Total rate applied to the individual's share is th sum of (a) and (b).	e The total rate applied to the individual's share sum of (a) and (b).	

TABLE 4. Capital and Gift Taxes and Succession Duties

	- Capital and Off Taxes and i	Succession Duties		
Manitoba	Saskatchewan	Alberta	British Columbia	l No
The Corporation Capital Tax Act; S.M. 1976 c. 68.		-	The Corporation Capital Tax Act; S.B.C. 1973, c. 24 and amendments.	
aid-up capital of corporations.	-	_	Paid-up capital of corporations.	
7/5 of 1%	- 1	-	1/5 of 1%.	1
Exemptions include: corporations with paid-up capital under \$100,000; cooperatives, credit unions, family farms and charitable corporations.	-	-	Exemptions include: corporations with paid-up capital under \$100,000; corporations exempt under the Income Tax Act (Canada); credit unions, cooperatives and family farms.	-
The Gift Tax Act; S.M. 1972, c. G-55 and amend-	The Gift Tax Act; S.S. 1972, c. 48 and amend-	_	The Gift Tax Act; S.B.C. 1972, c. 23 and amend-	
ments.  Aggregate taxable value of gifts made in the year.	ments.  Aggregate taxable value of gifts made in the year.	_	ments.  Aggregate taxable value of gifts made in the year.	
15% on the first \$25,000 \$3,750 on \$25,000 plus 20% on next \$25,000 8,750 " 50,000 " 25% " " 25,000 15,000 " 75,000 " 30% " " 25,000 22,500 " 100,000 " 35% " " 25,000 31,250 " 125,000 " 40% " 25,000 41,250 " 150,000 " 45% " 50,000 63,750 " 200,000 " 45% on remainder	15% on the first \$25,000 \$ 3,750 on \$ 25,000 plus 20% on next \$25,000 8,750 " 50,000 " 25% " " 25,000 15,000 " 75,000 " 30% " " 25,000 22,500 " 100,000 " 35% " " 25,000 31,250 " 125,000 " 40% " " 25,000 41,250 " 150,000 " 45% " " 50,000 63,750 " 200,000 " 50% on remainder	-	\$\frac{15\%}{5}\$ on the first \$\frac{25}{5}\$,000\$ \$\frac{3}{3}\$,750 on \$\frac{25}{5}\$,000 plus \$20\% on next \$\frac{25}{5}\$,000 \$\frac{8}{7}\$50 \( ^{\cup} \) \$\frac{25}{5}\$,000 \( ^{\cup} \) \$\frac{25\%}{3}\$ \( ^{\cup} \) \$\frac{25}{5}\$,000 \$\frac{15}{5}\$,000 \( ^{\cup} \) \$\frac{25\%}{3}\$ \( ^{\cup} \) \( ^{\cup} \) \$\frac{25}{5}\$,000 \$\frac{25}{5}\$ \( ^{\cup} \) \$\frac{10000}{3}\$ \( ^{\cup} \) \( ^{\cup} \) \$\frac{25}{5}\$,000 \$\frac{31}{25}\$ \( ^{\cup} \) \$\frac{150}{5}\$,000 \( ^{\cup} \) \$\frac{40\%}{5}\$ \( ^{\cup} \) \( ^{\cup} \) \$\frac{5}{5}\$,000 \$\frac{41}{5}\$ \( ^{\cup} \) \$\frac{150}{5}\$ \( ^{\cup} \) \$\frac{45\%}{5}\$ \( ^{\cup} \) \$\( ^{\cup} \) \$\( ^{\cup} \) on remainder	
Testamentary gifts and gifts taking effect on the death of the donor.	Testamentary gifts and gifts taking effect on the death of the donor.	_	Testamentary gifts and gifts taking effect on the death of the donor.	
Gifts to Canadian charitable organizations or to any government in Canada.	Gifts to Canadian charitable organizations or to any government in Canada.		Gifts to charitable organizations and to any government in Canada.	
Gifts up to \$5,000 a year to a spouse and up to \$2,000 a year to any other donee with an aggregate annual maximum of \$15,000.	Gifts up to \$5,000 a year to a spouse and up to \$2,000 a year to any other donee with an aggregate annual maximum of \$15,000.  Once-in-a-lifetime deduction of \$20,000 for any farmer making a gift of real property to a child for use for farming and to spouse for resident.  Once-in-a-lifetime exemption for small businesses.		Gifts up to \$10,000 a year to a spouse and gifts to any other donce up to \$2,000 a year with an aggregate annual maximum of \$10,000.  Once-in-a-lifetime exemption of up to \$10,000 in respect of an interest in real property to a child if such property is to be used in farming operations.	
-	-	-	_	
The Succession Duty Act; S.M. 1972, c. S-215 and amendments.	The Succession Duty Act; S.S. 1972, c. 124 and amendments.	-	The Succession Duty Act; R.S.B.C. 1960, c. 372 and amendments.	10
Aggregate value of succession.	Aggregate value of succession.		Aggregate value of succession.	1
On individual's share in estate:  Preferred line – 14% to 50%.  Collateral line – 14% to 50%.  Strangers – 14% to 50%.	On individual's share in estate: Preferred line – 14% to 50%. Collateral line – 14% to 50%. Strangers – 14% to 50%.	-	On individual's share in estate: Special beneficiaries - 3% to 36%. Collateral line - 8% to 38%. Strangers - 13%% to 40%.	12
istates valued at \$50,000 or less.  \$200,000 if estate is transmitted to preferred successors.  \$50,000 special exemption for spouse.  An additional \$1,000 for each year that an infirm child is under 71 years of age.  Up to \$25,000 for collateral successors to the extent that the \$250,000 preferred successors exemption has not been fully "used up".  Charitable bequest— up to 20% of the aggregate value of property passing at death or any unused portion of the \$250,000 preferred successors exemption.  Sequests to Canadian charitable organizations and to any governments in Canada.  Survivor benefits under the Canada and Quebec Pension Plans.  Individual bequests of \$1,000 or less.	Estates valued at \$75,000 or less. \$250,000 if estate is transmitted to preferred successors. \$250,000 special exemptions for spouse. An additional \$1,000 for each year that an infirm child is under 71 years of age. Up to \$50,000 for collateral successors to the extent that the \$150,000 preferred successors exemption has not been fully "used up". Bequests to Canadian charitable organizations and to any government in Canada. Survivor benefits under the Canada and Quebec Pension Plans. Individual bequests of \$2,000 or less.		Estates valued at \$10,000 or less. \$125,000 if estate is transferred to special beneficiaries plus additional exemptions for family home of any value, insurance up to \$25,000, annuity or pension payments up to \$250 a month. (In no event can the exemption for this class be less than \$150,000.) \$25,000 if property is transmitted to collateral beneficiaries. Individual bequests of \$1,000 or less. \$1,000 if transmitted to employee of deceased. Charitable bequests up to 10% of net value of estate. Bequest to the provincial or local governments.	13
effective rate of tax is less than the maximum marginal rate at each level of taxable inheritance.	effective rate of tax is less than the maximum marginal rate at each level of taxable inheritance.			

## TABLE 5 A. General Retail Sale Taxes Levied by Provincial Governments

Basis	
Retail Sales   Sale   Sales	vices and Retail Sales Tax Act
gible personal property and service.  3 Rate 10% 8% 80% 80% 80% 80% 80% 80% 80% 80% 80	n Tax Act; R.S.Q. 1964, c. 71 1973, c. and amendments.
Accommodation; telephone: telecommunication: electricity, natural and manufactured gas; construction or rental of tangible personal property; repairs of real or	rection of tan- sonal prop- of movable property
phone: telecommunication: electricity, natural and manufactured gas; construction or rental of tangible personal property; repairs of real or	
dry cleaning.	tion; tele- did telecom- on services;    Telephone, gas, electrici- ty; repairs,
Main exemptions:    Food hospital prepared   Food and food prod-	food prod- Foodstuffs (except car.
meals, natural water.    meals   natural water.   ucts   for   human   consumption   (except   confections);   confections and soft   cept   confections   prepared   meals   (\$2   drinks);   prepared   meals   (\$3   or   less);   prepared   meals   (\$3	dies and soft drinks; beer; weak cider; narconfections ft drinks); meals (\$2 ); natural
6   Clothing   Clothing and footwear.   Clothing including fabrics and accessories;   Clothing and footwear.	d footwear.   Children's clothing and footwear.
machinery, livestock supplies; livestock; plies; pl	and sup- lants; feed; chinery and supplie fertilizer: feed; seed; fertilizer controls; chemical control
8 Commercial fishing Boats; equipment; apparatus and supplies; vessels (not exceeding 300 tons gross).  Boats; equipment and apparatus.  Boats; equipment and apparatus.  Boats; equipment and apparatus.	
fuel oil gas and coal fuel oil: firewood: propane gas, fire- wood;	coke; fire- electricity; and manu- fuel oil; coal; fir- wood; propane gas for manufacturing.
Health Medicaments on pre- scription; X-ray pic- tures and plates on prescription or health appliances; house- hold cleaning and first aid supplies; personal hygiene supplies. Supplies.	nedicaments on doctor prescription; healt appliances.
Educational and published materials   Text books; school books and newspaper published within the province,   Classroom supplies; certain books and periodicals.   School supplies; certain books and periodicals.   Classroom certain books and periodicals; photocomes   Classroom supplies; certain books and periodicals.   Classroom supplies; certain books and periodicals; photocom supplies; certain books	supplies; books, peri- microfilm; pyy.  Classroom supplies an printed books and priodicals.
chase of machinery, equipment, plant urc: clay; sand; sand; gravel and unents; cla gravel; unfinished stone. Antistone.  cquipment, plant urc: clay; sand; sand; gravel and unents; cla gravel; unfinished stone. Antistone.  stone.  clay; sand; sand; gravel and unents; clay; and palents; clay; and pa	Industrial machinery (e fected April 1, 197 to March 31, 1977 to March 31, 1977 production equipme and conditionning m terials used to produce goods for resale.
Transportation equipment Certain aircraft; vessels of more than 300 tons gross; railway rolling stock; motor vehicles under specific conditions.	ats; aircraft lway rolling
Sales under \$0.20. Certain household goods and equipment; securities; olympic coins; containers; trailers for resident in Labrador; certain companies purchase, ships'	r \$0.12; to- funeral cas- ertain explo- hips' stores; effects; and dry- g services.  Sales under \$0.26; secu- ties; money; tobacc admissions; fare ( transportation sy tem; certain Indiar purchases.
stores.  Liquor purchased through liquor commissions is taxed under the Health Tax Act (see Table 5 B).	e of 2% for homes.

TABLE 5 A. General Retail Sale Taxes Levied by Provincial Governments

TABLE 5 A. General Retail Sale Taxes Levied by Provincial Governments									
Ontario	Manitoba	Saskatchewan	British Columbia	1.00.					
The Retail Sales Tax Act; R.S.O. 1970, c. 415 and amendments.	The Revenue Tax Act; R.S.M. 1970, c. R150.	The Education and Health Tax Act; R.S.S. 1965, c. 66 and amendments.	The Social Services Tax Act; R.S.B.C. 1960, c. 361 and amendments.	1					
Purchase price of tangible personal property and taxable service.	Purchase price of tangible personal property or service.	Purchase price of tangible personal property or taxable service.	Purchase price of tangible personal property or service.	2					
7%	5%	5%	700						
Transient accommodation; telephone service including long distance, telegraph; natural and manufactured gas; fixtures rented separately from real property.	pairing and cleaning certain printing	Lodging; telephone (over \$0.49) and other telecommunications: electricity; gas (used in internal combustion engine).	7% Telephone, electricity; natural or manufactured gas.	3 4					
Food products for human consumption (except confections and soft drinks); prepared meals (\$5 or less); natural water, liquor, beer or wine for special occasions.	or less): natural water	Prepared meals; natural water.	Food products for human consumption; prepared meals; confections; soft drinks; draught beer, natural water.	5					
Footwear (less than \$30); children's clothing; used clothing and footwear (under \$50).	Children's clothing and footwear; used clothing (less than \$25); used footwear (less than \$5 repair to footwear).	1	Children's clothing and footwear; used clothing and footwear.	6					
Agricultural products including livestock; farm equipment, implements and supplies; plants; feed; seed; fertilizer; chemical controls.	Farm horses; farm implements; machine- ry and parts; plants; feed; seed; fertilizer; chemical controls.	Agricultural products including live- stock; farm machinery, implements and supplies; plants; feed; seed; fertilizer; grain; chemical controls.	Farm implements; machinery, parts, supplies; livestock; plants; feed; seed; fertilizer; grain; chemical controls.	7					
Boats; equipment and apparatus.	Boats; equipment and apparatus.	Equipment.	Boats; equipment and apparatus.	8					
Fuel, gasoline; coal; coke; wood; natural gas; electricity.	Certain gasoline; motive fuel; natural or manufactured gas; coal, wood.	Fuel, petroleum products; liquefied gases for heating; coal; wood; domestic fuel oil; electricity for heating.	Gasoline; coal; coke; fuel oil; motive fuel; wood fuel.	9					
Drugs and medicine on prescription; health appliances and personal hygiene items; household cleaning items.	Drugs and medicaments; health appliances; personal hygiene items.	Certain drugs and medicines; health appliances; dentures.	Medicaments on prescription; health appliances.	10					
Classroom and student supplies; certain books; periodicals.	Books, newspapers and periodicals.	Books, newspapers and periodicals; certain phonograph records; bibles, etc.	School supplies; certain books; periodicals.	11					
Processing materials and physical ingre- dients; soil; clay; sand; gravel and unfinished stone; capital works of municipality; production and construc- tion equipment under certain condi- tions.	Goods for manufacture,	Goods for manufacture; clay; earth.	Goods for manufacture.	12					
Certain aircrafts and buses; vessels of more than 500 tons; railway rolling stock; street flushers, sweepers and fire-fighting vehicles.	Certain aircrafts.		Vessels of more than 500 gross tons.	13					
Sales under \$0.21 except draught beer. Certain works of art; uncancellable stamps; money; equipment purchased by a religious institution, trapper or advertiser; tobacco products; animals sold for household pets; settlers' effects; returnable milk containers; certain costs for stage performance; thermal insulation material used in existing homes.	Sales under \$0.26 (except liquor); stamps; money; safety equipment; ships' stores; settlers' effects; used furniture (less than \$25); amusement; tobacco.	Sales under \$0.15; money stamps; matches; goods taxed under another Act: tobacco; settlers' effects.	Sales under \$0.15 Ships' stores to commercial vessels over 500 gross tons; X-ray pictures; settlers' effects; containers and labels.	14					
special rate of 10% on liquor, beer, wine and meals over \$5.	Liquor subject to a special rate of 10%.			15					

TARLE SB. Other Consumption Taxes Levied by Provincial Governments

	TABLE 5B. Other Consumption Taxes Levied by Provincial Governments								
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec			
1	Motive and other fuel taxes Statutory authority	The Gasoline Tax Act; R.S.N. 1970, c. 147 and amendments. The Fuel Oil Tax Act; R.S.N. 1970, c. 145.	The Gasoline Tax Act; R.S.P.E.I. 1974, c. G-3 and amendments.	Gasoline and Diesel Oil Tax Act; R.S.N.S. 1967, c. 116 and amendments.	Gasoline and Motive Fuel Tax Act; R.S.N.B. 1973, c. G-3.	Fuel Tax Act; S.Q. 1972 c. 30 and amend ments.			
2	Basis	Per gallon.  Gasoline and - \$0.27. motive fuel Fuel oil - \$0.01.	Per gallon.  Gasoline - \$0.21 Diesel fuel - \$0.25	Per gallon.  Gasoline fuel - \$0.21.  Diesel fuel - \$0.27.  Aviation fuel - \$0.03.	Per gallon.  Gasoline - \$0.20. Diesel fuel - \$0.23. Aviation fuel - \$0.03.	Per gallon.  Gasoline \$0.15 Diesel fuel \$0.25 Aviation fuel \$0.03			
4	Comments	Exemptions for gasoline used by governments, by foreign diplomats, in aircraft, in motorized equipment (other than trucks and automobiles) used for agricultural or logging purposes, in sawmills, in fish processing plants, in certain manufacturing plants, in vessels and boats used in trade, in electrical power generating plants, in household appliances, as household fuel, and for mineral exploration and pre-production development.  Exemptions for fuel oil used for domestic purposes or by vessels (except pleasure boats, tugs dredges and scows), manufacturing plants, commercial buildings, and institutions.	Exemptions for aviation fuel, fuel used in off-shore fishing fleets, and marked gasoline.  Marked gasoline may be purchased by the federal government, farmers, commercial fishermen, and owners and operators of stationary engines or certain sport establishments.	Exemption for marked gasoline.  Marked gasoline may be used in vehicles of the federal, provincial and municipal governments and in vehicles designed for fire-fighting, road building or off-highway use. It may also be used in farm tractors other than trucks or road tractors.	Exemptions for fuel used for lighting or heating, in farming operations, in the cleaning of fabrics, in stationary engines, in the operation of motor boats and snowmobiles, in tractors other than truck tractors when such vehicles are not used on public highways or in the construction of roads and bridges. Exemption for fuel used by municipal governments.  Refund of tax to flying clubs; based on the number of gallons of aviation fuel consumed in student training programme multiplied by rate of \$0.03 per gallon.	farm tractors and fis			

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments								
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.	
The Gasoline Tax Act; S.O. 1973, c. 99. The Motor Vehicle Fuel Tax Act; R.S.O. 1970, c. 282 and amendments.	The Gasoline Tax Act; R.S.M. 1970, c. G-40 and amend- ments.  The Motive Fuel Tax Act; R.S.M. 1970, c. M220 and amendments.	The Fuel Petroleum Products Act; R.S.S. 1965, c. 67 and amendments.	The Fuel Oil Tax Act; R.S.A. 1970, c. 153 and amend- ments.	Gasoline Tax Act; 1958, R.S.B.C. 1960, c. 163 and amendments. Motive Fuel Use Tax Act; R.S.B.C. 1960, c. 251 and amendments. Fuel Oil Tax Act; R.S.B.C. 1960, c. 158 and amend- ments.	Fuel Oil Tax Ordinance; O.Y.T. 1973, c. F-11 and amendments.	Petroleum Products Tax Ordinance; R.O.N.T. 1974, c. P-6.	1	
er gallon.	Per gallon.	Per gallon.	Per gallon.	Per gallon.	Per gallon.	Per gallon.	2	
iasoline — \$0.19. Jiesel fuel — \$0.25. viation fuel — \$0.03.	Gasoline	Gasoline - \$0.15. Diesel fuel - \$0.21. Aviation fuel - \$0.04. Other fuels - \$0.04.	Gasoline - \$0.10. Diesel fuel - \$0.12. Aviation fuel - \$0.03. Coloured gasoline - \$0.03.	Gasoline - \$0.17. Diesel fuel - \$0.19. Aviation fuel - \$0.05. Coloured gasoline - \$0.05. Liquefied petroleum gas - \$0.12. Fuel oil - 1/2 of \$0.01.	Gasoline - \$0.14. Diesel fuel - \$0.16. Aviation fuel - \$0.02. Fuel oil used for heating - \$0.01.	Gasoline - \$0.14. Diesel fuel - \$0.15. Fuel oil - \$0.03. Aviation fuel - \$0.025. Propane and butane - \$0.0225.	3	
xemption for fuel used by federal government and foreign diplomats.  xemptions for farmers, commercial fishermen fuel used for heating and cooking, industrial, commercial and institutional users, those engaged in road maintenance or construction.  tax relief of \$0.13 per gallon is allowed on gasoline used in off-highway vehicles other than "non-working" motor boats and snow-mobiles. Gasoline used in "working" motor boats is eligible for the relief.  full refund of tax is provided on fuel used for industrial and commercial purposes.	Exemptions for coloured gasoline used in farm trucks, agricultural machinery, municipal firefighting equipment and in trapping, fishing and prospecting operations.  Exemptions for diesel fuel used in agricultural machinery, municipal firefighting equipment, lighting plants, hospitals, fishing operations and for domestic purposes. Partial or full refund in other circumstances set out in the Act.	Exemptions for fuel used for cooking, lighting, heating and operating domestic appliances.  Exemptions for coloured fuels used in farming operations and control chemicals.  Exemptions from tax at \$0.15 and \$0.21 (but not from tax at \$0.04) for coloured gasoline used for generating electricity, for cityowned buses, for industrial purposes or by railways and fishermen.	Exemption for fuel used by the federal government and foreign diplomats and certain industrial purposes.  Exemption of \$0.03 per gallon for domestic appliances, lighting and heating.  Refund of \$0.03 for marked fuel or liquefied petroleum gas used in farming operations.  Exemption from \$0.07 gasoline tax and \$0.09 diesel fuel tax for fuel used in aircraft or railway locomotive or designated as unfit for use in motor vehicles and marked fuel used in stationary engines, farmers vehicles or transit buses.	Exemptions for gasoline used by the federal government or taxed as motive-fuel under the "Motive-fuel under the "To the province in supply-tanks under certain conditions.  Exemptions for coloured gasoline used in farm trucks and fishing vessels by bona fide farmers and commercial fishermen.  Exemptions for Motive-fuel used by the federal government or a bona fide farmer for farming purposes.  A refund of \$0.02 per gallon of diesel fuel used in private passenger-vehicle.  A refund of \$0.12 per gallon of non-coloured gasoline and \$0.07 per gallon of pollutant-free liquefied petroleum gas and \$0.14 per gallon of diesel fuel is granted for off-highway ore or logging trucks, for stationary motor vehicle power units used in industry; for certain industry; for certain industrial and commercial vehicles used offinighway in oil and gas operations, and for the motor vehicles of amputees, paraplegics and certains classes of war veterans.  Coloured gasoline is restricted to specific uses as determined by law.	No tax is payable in respect of fuel oil used in stationary generators of electricity; in farm equipment; for lubricating purposes, for laying or sprinkling on roads; for use as cleaning fluids or solvents, for medical or pharmaceutical purposes, for heating ore as part of mineral extraction process and for fuel oil sold to Government of Canada or visiting armed forces.	No tax is payable in respect of fuel used by hospitals, municipalities visiting armed forces, for lubricating purposes, for laying or sprinkling on roads or streets, for delivery to D.E.W. stations, or for use as cleaning fluids or solvents.	4	

TABLE 5B. Other Consumption Taxes Levied by Provincial Governments — Continued

	TABLE 3B. Ot	nei Consumption Taxes 20100 oy		
N		Newfoundland	Prince Edward Island	Nova Scotia
No.				
	Tobacco taxes			
1	Statutory authority	The Tobacco Tax Act; R.S.N. 1970, c. 374 and amendments.	The Health Tax Act; R.S.P.E.I. 1974, C. H-3 and amendments.	Health Services Tax Act; R.S.N.S. 1967, c. 126 and amendments.
2	Basis	By cigarette; by retail price of cigars; other tobacco products by weight.	By cigarette; by retail price of cigars; other tobacco products by weight.	By cigarette; by retail price of ci- gars and other tobacco prod- ucts.
3	Rate	Cigarettes – \$0.01 each.	Cigarettes - 4/5 of \$0.01 each.	Cigarettes $-1/2$ of \$0.01 each.
		Cigars from:	Cigars from:	Cigars and other tobacco products $-10\%$ .
		\$0.01 to \$0.04 - \$0.02 each	\$0.01 to \$0.09 - \$0.01 each	
		0.05 " 0.07 - 0.03 "	0.10 " 0.15 - 0.02 "	
		0.08 " 0.15 - 0.04 "	0.16 " 0.21 - 0.03 "	1
		0.16 " 0.25 - 0.08 "	0.22 " 0.27 - 0.04 "	1
		0.26 " 0.35 - 0.12 "	0.28 " 0.33 - 0.05 "	
		0.36 " 0.45 – 0.16 "	0.34 " 0.39 - 0.06 "	
		0.46 up - 0.20 "	0.40 " 0.45 - 0.07 "	
			0.46 up - 20% "	
		Other tobacco products \$0.04 per 1/2 oz. unit or part thereof.	Other smoking tobacco products \$0.03 per 1/2 oz. or part thereof.	
4	Comments	There are certain exemptions on tobacco purchases by bona fide tourists and for other categories such as ships' stores. There is no tax on a plug of tobacco.		Tax levied under the same statu- tory authority as the general sales tax.
	Alcoholic beverage tax		1	
		1		
5	Statutory authority	-	The Health Tax Act; R.S.P.E.I. 1974, c. H-3 and amendments.	-
6	Basis	-	Retail price.	-
			1	
7	Rate	-	10%	-
8	3   Comments			-

TABLE 5B. Other Consumption Taxes Levied by Provincial Governments - Continued

New Brunswick	Quebec	Ontario		
			No	
Tobacco Tax Act; R.S.N.B. 1973, c. T-7	Tobacco Tax Act; R.S.Q. 1964, c. 72 and amendments.	The Tobacco Tax Act; R.S.O. 1970, c. 463 and amendments.	1	
By cigarette; by retail price of cigars; by weight for other tobacco products.	By cigarette; by retail price of cigars and other manufactured tobacco.	By cigarette; by retail price of cigars; by weight for other tobacco products.	2	
Cigarettes – 2/5 of \$0.01 each.	Cigarettes 4/5 of \$0.01 each.	Cigarettes .71 of \$0.01 each.	1 3	
Cigars \$0.01 for each \$0.05 or part thereof.	Cigars from:	Cigars from:		
Other tobacco products - \$0.04 per oz. or part	\$0.05 to \$0.10 - \$0.01 each.	\$0.01 to \$0.07 - \$0.01 each		
thereof.	\$0.10 up — 25%.	0.08 " 0.10 - 0.02 "		
	Manufactured tobacco - 25% of retail price.	0.11 " 0.15 - 0.03 "		
		0.16 " 0.20 – 0.04 "		
		0.21 up \$0.01 additional tax for each \$0.05 of retail price.		
		Other tobacco products \$0.025 per 1/2 oz. (or part thereof).		
_	No tax levied on raw leaf tobacco or on cigars sold		4	
	at \$0.05 each, or less.			
			5	
1				
			6	
ļ			1	

TABLE 5B. Other Consumption Taxes Levied by Provincial Governments — Continued

	TABLE 3B. C	The Consumption Taxes Beview by		
		Manitoba	Saskatchewan	Alberta
No.				
	Tobacco taxes	1		
1	Statutory authority	The Tobacco Tax Act; R.S.M. 1970, c. T80 and amendments.	The Tobacco Tax Act; R.S.S. 1965, c. 68 and amendments.	The Tobacco Tax Act; R.S.A. 1970, c. 364 and amendments.
2	Basis	By cigarette; by retail price of cigars; by weight for other manufactured tobacco.	By cigarette; by retail price of ci- gars and by weight for other tobacco products.	By cigarette; by retail price of cigars and by weight for tobacco (in- cluding plugs and snuff).
3	Rate	Cigarettes 4/5 of \$0.01 each.	Cigarettes $-3/5$ of \$0.01 each.	Cigarettes - 8/25 of \$0.01 each
		Cigars:	Cigars:	Cigars:
		\$0.06 or less - \$0.02 each	\$0.10 or less - \$0.01 each	\$0.07 or less - \$0.01 each
		0.07 to \$0.09 - \$0.03 each	\$0.11 to \$0.20 - \$0.02 each	\$0.08 to \$0.15 - \$0.02 each
		0.10 " 0.12 - 0.04 "	Over \$0.20 - \$0.04 each	0.16 " 0.22 - 0.03 "
		0.13 " 0.15 - 0.05 "	Other tobacco \$0.02 per 1/2 oz. or fraction thereof.	0.23 " 0.32 - 0.05 "
		0.16 " 0.18 - 0.06 "	of fraction thereof.	0.33 " 0.42 - 0.07 "
		0.19 " 0.21 - 0.07 "		Over \$0.42 – \$0.09 each
		0.22 " 0.24 - 0.08 "		Tobacco \$0.02 per 1/2 oz. or fraction thereof.
		0.25 " 0.30 - 0.10 "		
		0.31 " 0.36 - 0.13 "		
		0.37 " 0.48 - 0.16 " Over \$0.48 - \$0.20 each		
		Over 50.46 - \$0.20 cach	!	
4	Comments	Other tobacco products – \$0.04 per 1/2 oz.	-	-
	Alcoholic beverage tax		1	
5	Statutory authority	-	- !	-
6	Basis		-	
1	7 Rate		-	-
	8 Comments		-	-

 ${\bf TABLE~5B.~Other~Consumption~Taxes~Levied~by~Provincial~Governments} - {\bf Continued} \\$ 

British	Yukon	Northwest	
Columbia	Territory	Territories	No.
The Cigarette and Tobacco Tax Act; S.B.C. 1971, c. 7.	Tobacco Tax Ordinance; (First session); 1976, c. 9.	Tobacco Tax Ordinance; R.O.N.T. 1974, c. T-6.	
By cigarette; by retail price of cigars; by weight for other tobacco products.	By cigarette: by retail price of cigars; by weight for other tobacco products.	By cigarette and retail price of cigars.	2
Cigarettes – 12/25 of \$0.01 each.	Cigarettes - 3/5 of \$0.01 each.	Cigarettes 8/25 of \$0.01 each.	3
Cigars:	Cigars:	Cigars:	
\$0.07 or less - \$0.01 each	\$0.05 or less — \$0.01 each	\$0.07 or less – \$0.01 each	
\$0.08 to \$0.15 - \$0.02 each	\$0.06 to \$0.10 — \$0.02 each	\$0.08 to \$0.15 - \$0.02 each	
0.16 " 0.22 - 0.03 "	0.11 " 0.15 – .03 "	0.16 " 0.22 - 0.03 "	
0.23 " 0.32 - 0.05 "	0.16 " 0.20 – 0.04 "	0.23 " 0.32 - 0.05 "	
0.33 " 0.42 – 0.07 "	0.21 " 0.30 – 0.06 "	0.33 " 0.42 - 0.07 "	
Over \$0.42 - \$0.09 each	0.31 " 0.40 – 0.08 "	Over \$0.42 - \$0.09 each	
Other tobacco products \$0.02 per 1/2 oz. or part thereof.	Over \$0.40 - \$0.10 each  Other tobacco products \$0.03 per 1/2 oz. or part thereof.		-
-	-	-	<b>4</b>
-	Liquor Tax Ordinance; O.Y.T. 1976, c. 3.	-	5
- 1	By the bottle or gallon.	-	6
-	\$0.80 for each bottle of spirits.  \$0.80 for each bottle of fortified wine.  \$0.20 for each bottle of table wine.  \$0.10 for each dozen bottles of beer.  \$0.10 for each gallon of draft beer.	-	7

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments - Concluded

		TABLE 5 B. Other	Consumption Taxes Levie	d by Provincial Government		
NT.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
No.	Telecommunication tax					
1	Statutory authority	-	-	Corporations Tax Act; R.S.N.S. 1967, c. 61.	-	Telecommunications Tax Act; S.Q. 1965, c. 28.
2	Basis	-	j –	Toll charge on long- distance telephone calls.		Price of telecommunication.
3	Rate	-	-	\$0.07 for each \$0.50 toll charge or part thereof.	-	8%
4	Comments	-		Tolls under \$0.25 are exempt.	-	Applicable to long distance telephone calls, tele grams and other tele communications.
5	Meals and lodging tax Statutory authority	-	-		-	Meals and Hotels Tax Act R.S.Q. 1964, c. 73 and amendments.
6	Basis	-		-	-	On meals priced \$2.00 and over, on alcoholic beverages, on any aerated water to which essence or syrup has been added, and on price of lodging.
7	Rate	-	-	-	-	8%
8	Comments	-	-	-	-	The tax is not payable by persons employed in ar establishment on the price of lodging and meals (not including alcoholic beverages and aerated water) supplied to them by the person who keeps the establishment. Beer served in a tavern is not taxable

 ${\bf TABLE~5~B.~Other~Consumption~Taxes~Levied~by~Provincial~Governments} - Concluded \\$ 

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
	_	_			_		
_							
			_	_	_		2
-	-	-	-	- [	_	<u> </u>	3
-		-		-	-	_	4
-	-		-	Hotel and Motel Room Tax Act; S.B.C. 1971, c. 26.	-	_	5
-	-	-	-	Purchase price of accommodation in hotels and motels.	_	_	6
	-	-		5%	_	-	7
- Control of the Cont	_	_			_		8

TABLE 6. Miscellaneous Provincial Levies

	TABLE 6. Wiscentaneous Frovincial Leves							
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec		
1	Amusement taxes  Statutory authority		The Entertainments Act; R.S.P.E.I. 1974, c. E-7 and amendments.	Theatres and Amusements Act; R.S.N.S. 1967, c. 304 and regulations.	Theatres, Cinematographs and Amusements Act; R.S.N.B. 1973, c. T-5.	Amusement Tax 15 R.S.Q. 1964, c. 76.		
2	Basis	_	Admission price.	Admission price.	Admission price,	Admission price.		
3	Rate		From: \$0.61 - \$0.80 . \$0.07 \$0.81 - \$1.00 . \$0.10 over - \$1.00 . \$0.10 plus \$0.05 extra for each additional \$0.50 or fraction thereof.  Season ticket - 10% of selling price.  Pass or complimentary ticket \$0.10	From: \$0.56 - \$0.70 . \$0.05 \$0.71 - \$1.00 . \$0.10 over - \$1.00 . \$0.05 extra for each additional \$0.50 or fraction thereof.	Theatre rates: Up to \$0.25 \$0.02 From \$0.25 to \$0.30 . \$0.03	10%		
4	Exemptions	-	Church, school and mu- nicipal functions; certain other ama- teur or private func- tions.	Religious, educational or charitable functions.	School entertainment; agricultural fairs; religious, educational or charitable functions.	Charitable, agricultor church functi Taxes collected the municipalities		
	Race track taxes							
5	Statutory authority	The Horse Racing (Regulations and Tax) Act; R.S.N. 1970, c. 155 and amendments.	The Entertainment Act; R.S.P.E.I. 1974, c. E-7 and amend- ments.	Theatres and Amusements Act; R.S.N.S. 1967, c. 304 and regulations.	Theatres, Cinematographs, and Amusements Act; R.S.N.B. 1973, c. T-5.	Licences Act; R. 1964, c. 79 amendments.		
6	Basis	Amount of bets placed under the pari mutuel system.	Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting		
7	Rate	11%	11½%	11%	11% of wagers	7% of ticket evide the choice of a winning horse; 9 other tickets.		
8	Comments	The track operators are paid a remuneration of 3% of the tax collected and remitted.	-	If tax remitted within 7 days, the Race Association may deduct a commission of 7% and 8% depending on certain variables in amounts wagered and dates.	may deduct from 6½% to 9½% of the amounts wagered as commission.	duty on the ent		

TABLE 6. Miscellaneous Provincial Levies

Ontario	Manitoba	Saskatchewan	Miscellaneous Provincia	British Columbia	Yukon	Northwest	
			Alberta	British Columbia	Territory	Territories	No.
The Retail Sales Tax; R.S.O. 1970, c. 415 and amendments.			See: Race track tax.				1
Admission price.		1					2
From: \$0.76 to \$0.84. \$0.06 \$0.85 to \$0.90. \$0.07 \$0.91 & \$0.92. \$0.08 \$0.93 & over 10%							3
Religious, charitable or educational functions (by way of refund).	_		;	-	-		4
The Race Tracks Tax Act; R.S.O. 1970, c. 397 and amend- ments.	The Pari Mutuel Tax Act; S.M. 1974, c. P 12.	The Horse Racing Regulations Act; R.S.S. 1965, c. 384 and amendments.	The Amusements Act; R.S.A. 1970, c. 18 and amendments.	Pari Mutuel Betting Tax Act; R.S.B.C. 1960, c. 274.			5
(a) Pari mutuel betting pool. (b) Amount gained from a winning ticket.	Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pool.			6
7%	10%	10%	5%	8%			7
-	1½% of the rate is kept as commission by the track operators.	-	-	1% of this rate is earmarked to increase the purses of B.C. bred, born and raised horses.			8

TABLE 6. Miscellaneous Provincial Levies — Continued

	TABLE 6. Miscellaneous Provincial Levies — Continued											
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec						
	Insurance premium taxes  (a) On insurance companies: Statutory authority	The Insurance Companies Tax Act; R.S.N. 1970, c. 177 and amendments.	The Premium Tax Act; R.S.P.E.I. 1974, c. P-18 and amendments.	Insurance Premiums Tax Act; R.S.N.S. 1967, c. 149.	Premium Tax Act; R.S.N.B. 1973, c. P-15.	Taxation Act; S.Q. 1972, c. 23 and amendments (Part VI).						
2	Basis	Gross premiums.	Gross premiums.	Gross premiums.	Gross premiums.	Premium income.						
3	Rate	2%	2%	2%	2%	2%						
4	Comments	Exemption for premiums on marine insurance and annuity contracts.	Exemption for annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Applicable on all insurance premiums, including fire insurance.						
5	(b) Fire insurance: Statutory authority	The Insurance Premiums	The Fire Prevention Act;	Fire Prevention Act;	Fire Prevention Act;	Fire Prevention Act; R.S.Q						
		Tax Act; R.S.N. 1970, c. 179.	R.S.P.E.I. 1974, c. F-7 and amendments.	R.S.N.S. 1967, c. 107 and amendments.	R.S.N.B. 1973, c. F-13.	1964 c. 187 and amend ments.						
6	Basis	Premiums charged.	Gross premiums.	Gross property insurance premium income.	Premium income.	Premium income.						
7	Rate	7%	3/4 of 1%	3/4 of 1%	1%	1/4%						
8	Comments	This tax is paid by the policy holder. It is levied on all insurance premiums other than life, accident, sickness, and marine premiums.		Exemption for premiums on marine insurance and annuity contracts.	-	-						

TABLE 6. Miscellaneous Provincial Levies - Continued

	TABLE 6. Miscellaneous Provincial Levies — Continued											
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.					
(a) The Corporations Tax Act; S.O. 1972, c. 143.  (b) The Insurance Act; R.S.O. 1970, c. 224	porations Tax Act; R.S.M. 1970, c. 150 and amendments.	The Insurance Premiums Tax Act; R.S.S. 1965, c. 63 and amendments.	porations Tax Act;	miums Tax Act;	Insurance Premium Tax Ordinance; O.Y.T. 1976, c. 2.		1					
and amendments.  (a) Gross premiums or	Premium income.	Gross premiums.	Gross premiums.	197 and amendments.	Gross Premiums.							
deposits.  (b) Gross premiums or reciprocal or interinsurance exchanges.				(b) Premiums paid to unlicensed insurer or reciprocal exchange.	Gross Fremiums.		2					
3%	2%	2%	2%	(a) 2% (b) 5%	2%		3					
Additional ½ of 1% on property insurance.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	Exemptions for marine insurance and annuity contracts.		4					
	_   	The Fire Prevention Act; R.S.S. 1965, c. 365 and amendment.	The Fire Prevention Act; R.S.A. 1970, c. 144 and amendments.	Fire Marshal Act; R.S.B.C. 1960, c. 148 and amendment.	Fire Prevention Ordinance; R.O.Y.T. 1971, c. F-5.		5					
-	-	Premium income.	Premium income.	Premium income.	Premium income.		6					
-	~	1%	1/3 of 1%	100	1%		7					
	-			Rate determined by Lieutenant-Gover- nor-in-Council. Tax on fire and automo- bile insurance. Per- sons insured by un- licensed companies pay the tax directly.			8					

TABLE 6. Miscellaneous Provincial Levies — Continued

				6. Miscellaneous Frovinc			
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
yeri	Resource taxes Statutory authority	(a) The Mining and Mineral Rights Tax Act; S.N., 1975, c. 68.  (b) The Mineral Lands Taxation Act; R.S.N. 1970, c. 236.	-	(a) Gypsum Mining Income Tax Act; R.S.N.S. 1967, c. 122.  (b) Mineral Resources Act; S.N.S. 1975, c. 12	Mining Income Tax Act; R.S.N.B. 1973, c. M-15 and amend- ments.	Mining Duties Act; S.Q. 1975, c. 30.	(a) The Mining Tax Act; S.O. 197 c. 140.  (b) Mining Act; R.S.O. 1970, 274.
2	Basis	(a) Net income from mining operations and holding rights to mine.		(a) Net income from gypsum mining or ton of gypsum mined.	Net income from mining operations.	Net profit of mining operations.	(a) Profits from mining operation
		(b) Assessed value of minerals.		(b) Net selling price of ores and minerals mined; net income derived from mining operations.			(b) Lands used for mining purpo and mining rights.
:	Rate	(a) 15% mining tax 20% mineral right tax on operator of recipient of rent of royalty.	s r	(a) 33 1/3% of net income in excess of \$5,000; or \$0.06 per ton where mining operations are calculated at a fixed rate of \$0.18 per ton.	\$750,000; 11% on the next \$2,250,000 of net income; 12% on net income in	of \$150,001 to \$3,000.000; 20% on mining profits of \$3,000,001 to \$10,000,000 to \$10,000,001 to \$20,000,001 so	to \$1,000,000; 20% on profit of \$1,000,001 \$10,000,000; 25% on profit of \$10,000,001 \$20,000,000; 30% on profit of \$20,000,001 \$30,000,000; 35% on profit of \$30,000,001 \$40,000,000; 40% on

TABLE 6. Miscellaneous Provincial Levies - Continued

Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest	T
			Columbia	Territory	Territories	N
The Mining Royalty and Tax Act; R.S.M. 1970, c. M-180 and amend- ments.	(a) The Mineral Taxation Act; R.S.S. 1965, c. 64 and amendments.	(a) The Freehold Mineral Taxation Act; S.A. 1973, c. 89.	(a) Mineral Land Tax Act; S.B.C. 1973, c. 53.	Yukon Placer Mining Act; R.S.C. 1970, c. Y3.	Canada Mining Regulations; P.C. 1961, -325.	-
The Mineral Acreage Tax Act; S.M. 1972, c. M-135.	(b) The Mineral Resources Act; R.S.S. 1965, c. 50 and amendments.	(b) The Mines and Minerals Act; R.S.A. 1970, c. 238 and amendments.	(b) Mineral Resource Tax Act; S.B.C. 1976, c. 31.			1
The Mineral Taxation Act; R.S.M. 1970, c. M-150 and amendments.	(c) The Oil and Gas Conserva- tion, Stabilization and Development Act; S.S. 1973, c. 72 and amend- ments.	(c) Oil and Gas Conservation Act, R.S.A. 1970, c. 267.	(c) Petroleum and Natural Gas Act; S.B.C. 1965, c. 33 and amendments.		1	
The Metallic Minerals Royalty Act; S.M. 1975, c. M-125.	(d) The Road Allowance Crown Oil Act; R.S.S. 1965, c. 53.		(d) Coal Act; S.B.C. 1974, c.			
Net profit of mining operations.	(a) 1. Flat rate per acre for freehold minerals owned by corporations.	(a) Assessed value of principal minerals in free-hold lands.	(a) 1. Tracts outside designated producing areas.	Value of gold shipped from Yukon.	Annual value of output.	
	2. Assessed value of oil, potash and coal for preceding year.		Highly mineralized area with no operating mine.			
	3. Value of potash ore reserves, mine, plant.		3. Active production tracts.			,
Every owner of minerals rights on freehold land of 40 acres or more except bona fide farmers who are exempt.	(b) 1. Product ton of potash.  2. (i) Oil produced from Crown lands.  (ii) Operator share of oil and road allowance oil produced from Crown lands.	(b) Value of production on Crown lands.	(b) Net income from mining operations.			
	3. (i) Net profit of mining companies (metallic minerals and uranium).  (ii) Ton of coal.					
Assessed value of minerals in, on, or under freehold land in a designated production area.	(c) Operator share of oil and road allowance oil produced from freehold rights.	(c) Oil and gas property in designated areas.	(c) 1. Crude petroleum.  2. Natural gas by-products.  3. Natural gas.			
Net profit of mining operations.	(d) All oil produced.		(d) 1. Metallurgical coal.  2. Thermal coal.			
550,000; 23% on entire income if income exceeds \$50,000 (or a lesser amount as determined by the Lieutenant-Governor-in-Council).	(a) 1. (i) \$0.50 (minimum tax \$1).  (ii) Additional tax on all lands of 500.000 or more acres.  2. Producing tract tax of 8 mills times twice the assessed value.	(a) Rates vary with respect to different classes of mineral rights, mineral rights with respect to different minerals and mineral rights in different areas.	(a) 1. 49,999 acres or less, \$0.25 per acre, 50,000 99,999 acres, \$0.40 per acre, 100,000 - 249,999 acres, \$0.55 per acre, 250,000 - 499,999 acres, \$0.70 per acre, 500,000 - 999,999 acres, \$0.85 per acre, 1,000,000 acres and over \$1 per acre.	2½%	\$10,001 - \$1,000,000: 3% 1,000,001 - \$,000,000: 5%: \$,000,001 - 10,000,000: 6% 10,000,001 and over: an additional 1% for each additional \$5,000,000, not to ex- ceed 12%.	3
1	3. Varies from nil under the average selling price of \$35.50 per short ton to 8.73169 mills on the average selling price of \$90 and over.		2. \$2 per acre.  3. Assessed value per acre as determined under regulations.			

TABLE 6. Miscellaneous Provincial Levies — Continued

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
1	Resource taxes – Concluded Rate	(b) Not exceeding 10 mills.	_	(b) Greater of: 2% of net sell- ing price or 15% of net in- come from mining opera- tions.	<del>-</del>		(b) \$0.50 per acre
	;			1	1		
	1	i			:		
2	Comments	The mining tax is levied on the greater of 80% of net income or net income minus rents or royalty payments.	_	-	- - - :	Net profit up to \$150,000 is exempt.	(a) Net profit u \$100,000 exempt.
		1					1
3	Logging taxes  Statutory authority	_	_	_	-	Taxation Act; S.Q. 1972, c. 23 (Part VII).	_
4	4 Basis	·	· ·	1	_	Income from logging operations.	-
:	Rate		<del>-</del>	-		10%	_
	6 Comments			_		Full exemption is allowed where income is less that \$10,000; where income exceeds \$10,000, the tax is paid on the total income including the \$10,000. Tax credit of \$1/3\$ of tax is provided under the provincia Income Tax Act. Two thirds may be deducted from the federal income tax under the provisions of the federal Income Tax Act.	

TABLE 6. Miscellaneous Provincial Levies — Continued

		TAB	LE 6. Miscellaneous Provincia	l Levies — Continued			
	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
2. 2.	0.10 per acre or fraction thereof.  Eight mills of the assessed value of each well. The monthly incremental tax is calculated as follows: value of well production for month x 1.5 equals the assessed value x mill rate equals tax. The monthly incremental tax is in addition to the basic 8-mill tax which is applied to the same assessed value but on a yearly basis. Monthly mill rate schedules are different for new and developed wells.  5% on base profit. 35% on excess of base profit as determined by the Act).	(b) 1. Pro-rationing fee of \$1.20 per ton.  2. (i) Regular crude oil royalty of up to 25% based on volume of production and valued at the well-head price.  (ii) Royalty surcharge equal to the difference between the "basic" well-head price and the well-head price and the well-head price between the "basic" well-head price and the well-head price.  3. (i) From 5% to 12.5%.  (ii) \$5 per ton.  (c) Mineral income tax equal to difference between the "basic" well-head price and the well-head price.  (d) 1.88% of all oil designated as road allowance oil. Crown share is 1%.  Operator share is .88%.  Crown share is sold at the well-head price.	8.8% to 44.2% on monthly production for developed wells; 6.1% to 30.6% on monthly production for new wells. 2. Synthetic oil: 8% of monthly production to 900,000 barrels; 20% in excess of 900,000 barrels; 20% in excess of 900,000 barrels; 3. Natural gas: Varies from 22% of natural gas when field price is \$0.26 or less per Mcf to 65% of the price increment over \$0.72 for developed natural gas; for new natural gas; or new natural gas; or new natural gas; or new natural gas; or new price increment over \$0.36. These royalty rates also apply to propanes and butanes. 4. Sulphur: 16 2/3 of the value of marketable production. 5. Pentanes plus: In accordance with the formula specified in				1
P A P u	operator required to ay royalty under this let is exempt from the ayment of royalty tax nder the Mining Royalty and Tax Act.	(a) 1. Acreage tax does not apply to an owner who is an individual.  2. Reduced royalty surcharge on the production of "new oil".  Deduction from royalty surcharge of 100% of exploration and development expenditures in Saskatchewan up to \$0.30 per barrel, Beyond this, 50% of approved expenditures may be deducted.	the regulations.  (c) Uniform rate of taxation as will be sufficient to defray 50% of the estimated net expenditure to be incurred by the Oil and Gas Conservation Board.  (a) At the time of publication, assessment for oil and natural gas was not yet specified. In 1973, the rate for oil was 16 mills.  (b) 3.4.5. These royalty rates are applied to the value of production after the processing costs of the Crown's share of natural gas has been deducted.	(b) The Mineral Resource Tax Act repeals the Mineral Royalties Act as of Ja- nuary 1, 1977 and aboli- shes the incremental roy- alties from April 1, 1976.	Rates established by Order-in- Council	Exemption for the first \$10,000 of output.	2
	-	- I	-	Logging Tax Act; R.S.B.C. i 1960, c. 225 and amendments.	- 1	-	! 3
	-	_	-	Net income.	_		1 4
	-	-		15% where net income exceeds \$10,000.	_	_	5
	-	- !	-	Full exemption is allowed where net income is less than \$10,000, where net income exceeds \$10,000; the tax is paid on the total net income including the first \$10,000.	- 1	-	6
				Tax credit of 20% of tax is provided under the provincial Income Tax Act. Two-thirds may be deducted from federal income tax under the provisions of the federal Income Tax Act.			

TABLE 6. Miscellaneous Provincial Levies — Continued

	TABLE 6. Miscellaneous Provincial Levies — Continued										
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario				
1	Motor vehicle registrations and driving permits	The Highway Traffic Act; R.S.N. 1970, c. 152 and amendments.	The Highway Traffic Act; R.S.P.E.I. 1974 c. H-6 and amend- ments.	Motor Vehicle Act; R.S.N.S. 1967, c. 191 amendments and regulations.	The Motor Vehicle Act; R.S.N.B. 1973, c. M-17.	Highway Code; R.S.Q. 1964, c. 231 and amendments.	The Highway Traffic a R.S.O. 1970, c. and amendments.				
2	Basis	(a) Weight of the vehicle.	(a) Weight of the vehicle.	(a) Per 100 lb. vehicle weight.	(a) Per lb. of weight of motor vehicle.	(a) Per lb. of vehicle weight.	(a) Number of cylir for passenger cles; weight for mercial vehicles.				
		(-)	(b) Operator.	<ul><li>(b) Operator.</li><li>(c) Chauffeur.</li></ul>	(b) Operator. (c) Chauffeur.	(b) Operator.	(b) Operator.				
3	Rate	(a) 1. Passenger vehicles: Up to 4,000 lb \$30. 4,001 lb. and over - \$40.	(a) 1. Passenger vehicles:  Not more than 2,049 lb. – \$20,0ver 2,049 lb. up to and including 4,949 lb. – \$1 per 100 lb. 4,950 lb. and over – \$50.	(a) 1. Passenger vehicles: \$1 per 100 lb. of vehicle weight. Minimum licence fee is \$15.	(a) 1. Passenger vehicles: \$0.01 per lb. of weight of motor vehicle; minimum fee of \$20 per vehicle plus a fee of \$4 for licence plates.	(a) 1. Passenger vehicles: 3,000 lb. portion — \$0.01 per lb. 3,000 lb. to 4,000 lb. portion — \$0.02 per lb. each pound greater than 4,000 lb \$0.03 per lb.	(a) 1. Passenger veh 4 cylinders o \$23, 6 cylinder \$32. 8 cylinder \$40.				
		2. Commercial vehicles: From \$27 (up to 4,000 lb.) to \$1,205 (79,001 – 80,000 lb.)	2. Commercial vehicles: From \$14 (up to 3,000 lb.) to \$1,267 (110,500 lb.)	2. Commercial vehicles: From \$29 (up to 4,000 lb.) to \$634 (49,001 - 50,000 lb.)	2. Commercial vehicles: From \$19 (up to 4,500 lb.) to \$1,435 (124,501 - 125,000 lb).	2. Commercial vehicles: \$50 up to 15,000 lb. and \$100 above 15,000 lb.	2. Commercial cles: From \$33 (1) 5,000 lb. \$2,021 (13) to 140,00				
		(b) Operator's licence \$15 (for three years).	(b) Operator's licence – \$6 (annually)	(b) Operator's licence — \$6 (for three years).	(b) Operator's licence — \$4 plus a \$6 unsatisfied judgement fee (for two years).		(b) Operator's lices \$9 (for three :				
		(c) Chauffeur's licence – \$15 (for three years).	(c) Chauffeur's licence - \$7 (annually)	(c) Chauffeur's licence - \$7 (one year).		- \$6 (for two years).					
	4 Comments	(a) Reduced rates apply later in the year.	(a) Reduced rates apply later in the year.	(a) Vehicle registration expires March 31.		feur's licences have					
		(b) Operator's licence has a three-year term. Ex- piry date is on licen- see's birthday.	(b) Operator's and chauffeur's licences have a one year term. Expiry date is on the last day of licensee's month of birth.	(b) Operator's licence has a three-year term.							

TABLE 6. Miscellaneous Provincial Levies — Continued

	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	
							N
R	Highway Traffic Act; S.M. 1970, c. H60 and nendments.	The Vehicles Act; R.S.S. 1965, c. 377 and amendments.	The Highway Traffic Act; R.S.A. 1970, c. 169 and amendments.	Motor-vehicle Act; R.S.B.C. 1960, c. 253 and amend- ments.	Motor Vehicle Ordinance; R.O.Y.T. 1971, c. M-11 and amendments.	Vehicles Ordinance: R.O.N. F. 1974, c. V-2.	1
1	ength of wheel base for assenger vehicles; weight if commercial vehicles.	(a) Length of wheel base; weight of commercial vehicles.	(a) Length of wheel base for passenger vehicles; weight of commercial vehicles.	(a) Gross weight of vehicle.	(a) Length of wheel base for passenger vehicle; weight of commercial vehicles.	(a) Flat rate for passenger vehicles; weight of commercial vehicles. Rate related to Area of operation. Region I: Mackenzie Highway System. Region II: District of Mackenzie North of Artic Circle and west of 128th Meridian. Region III: Remainder of Territories.	2
	river.	(b) Operator.	(b) Operator.	(b) Operator.	(b) Operator.	(b) Operator.	1
c) Cl	auffeur.	(c) Chauffeur.				(c) Chauffeur.	
(a)1.	Passenger vehicles: \$12 for wheel base not exceeding 100" in length; for each addi- tional 5" or portion thereof – from \$2 to \$4. Additional charge of \$0.50 on all registra- tions for the Unsatis- fied Judgement Fund.	(a) 1. Passenger vehicles: \$16 for wheel base not exceeding 110"; \$22 for wheel base of 111" to 120"; \$28 for wheel base exceeding 120".	(a) 1. Passenger vehicles: \$15 for wheel base not exceeding \$110", \$20 for wheel base between \$111" and \$120"; \$25 for wheel base of over \$120". Where no wheel base is established: \$20.	(a) 1. Passenger vehicles: From \$5 (up to 500 1b.) to \$58 (6,001 to 7,000 lbs.) Plus first registration fee of \$1.	(a) 1. \$15 for wheel base 100" or less; \$20 for wheel base 101" to 120"; \$25 for wheel base 121" and over.	(a) 1. Passenger vehicles:  Region I: \$15.  Region II: \$10.  Region III: \$ 5.	3
2.	Commercial vehicles: From \$16 (up to 6,000 lb.) to \$666 (109,001 110,000 lb.).	2. Commercial vehicles: From \$17 (up to 2,500 lb.) to \$2,222 or \$2,532, depending on the category (108,001 - 110,000 lb.).	2. Commercial vehicles; From \$30 (up to 3,000 lb.) to \$490 (40,000 - 41,000 lb.).	2. Commercial vehicles: From \$16 (up to 3,000 lb.) to \$830 (72,001 - 74,000 lb.). \$25 per 2,000 lb. when in excess of 74,000 lb.	2. Commercial vehicles: From \$50 (up to 10,000 lb.) to \$1,120 (124,001 to 126,000 lb.)	2. Commercial vehicles: Region I: From \$30 to \$60 (up to 10,000 lb.) and \$5 for every additional 1,000 lb. Region II: From \$20 to \$40 (up to 10,000 lb.) and \$3 for every additional 1,000 lb. Region III: From \$10 to \$20 (up to 10,000 lb.) and \$1 for every additional 1,000 lb.	
	perator's licence – \$6. for two years).	(b) Operator's licence - \$2, (for one year).	(b) Operator's licence – \$10. (for five years).	(b) Operator's licence – \$5. (for five years).	(b) Operator's licence - \$3. (for one year),	(b) Operator's licence - \$2. (for one year).	
	auffeur's licence – \$8. or two years).	(c) Chauffeur's licence — \$3. (for one year).				(c) Chauffeur's licence - \$3. (for one year).	
ir	duced rates apply later the year which expires ebruary 28.	Operator's and chauffeur's licences have a one year term. Expiry date is April 30.	(a) Rates reduced by 40% after September 1 and 75% after January 1.	(a) Rates are reduced 1/12 each month to a mini- mum fee of \$2.	(a) Reduced rates apply later in the year.	(a) Rates are reduced to 40% after October 31.	4
li	etator's and chauffeur's cences issued for two ears on birth date.		(b) Operator's licence has a five-year term; expiry date is March 31.	(b) Operator's licence has a five-year term.	(b) Operator's licence for a one year term. Expiry date is March 31.	(b) Both operator's and chauffeur's licences have one year terms.	

TABLE 6. Miscellaneous Provincial Levies - Concluded

No.		New- foundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
	Hospitalization and medical care premiums and payroll taxes						
1	Statutory authority	-		-	_	Health Insurance Act; S.Q. 1970, c. 37 and amendments.	The Health Insurance Act; S.O. 1972, c. 9
2	Basis	_		-	-	(a) Employer: Salary paid. (b) Employee: Net income.	Monthly premiums.
3 .	Rate	_	· –	_	· –	1.5%1 (June 1, 1976)	Single
4 .	Comments	_	_	-	_	The maximum contribution payable by an employee is \$235 and \$375 for a self employed individual.	Premiums are waived for welfare recipier and persons 65 years of age and over.  The province subsidizes 100% of the premiu
					:	ingivigual.	of persons with no taxable income a 50% of the premiums of single perso with taxable income of less than \$1,0 and families with taxable income of let than \$2,000.
				i			Hospitalization and medical care premius are combined.
	Miscellaneous taxes		1				D - Service all howing and
5	Name of tax	-	_	-		Immoveable property transfer duties.	Professional boxing and wrestling events
6	Statutory authority	_	i –	-	-	Supplementary Information 1976-77 Budget Speech.	The Athletics Control Act; R.S.O. 1970, 35.
7	¡ Basis	-		-	_	Value of immoveable property transferred to non-residents.	Gross receipts of professional boxing a wrestling events.
8	Rate	_	_	_	_	33%	2%
9	Comments		_		-	-	-
10	Name of tax						Land transfer tax
		_	-	_	_	_	The Land Transfer Tax Act; S.O. 1974, c.
	Statutory authority		-	-	_	_	Purchase price.
	Basis		! — —	_	-	-	Up to \$35,000 - 3/10 of 1%. Over \$35,000 - 3/5 of 1% 20% where land conveyed to non-reside
14	1						20% where raile comes
	Comments		_	-	-	-	Land speculation tax
	Name of tax	-	-	-	_	-	The speculation Tax Act; S.O. 1974, c.
	Statutory authority Basis	_	_	_	_	-	Increase in the value of "designated land"
17	Basis	_		_	_	_	real property in Ontario except Canad resource property).
18	8 Rate	-	-		-	-	20%
19	Comments	-	_	_	_		Principal residence, recreational prope transfers to the Crown or municipalit expropriations, land for industrial or comercial purposes (other than apartmouildings) and farming land upon whagriculture is continued are exempted.
_		41- 107	6 taxation year wil				Effective subsequent to April 9, 1974.

<sup>1</sup> The effective rate over the 1976 taxation year will be 1.2%

TABLE 6. Miscellaneous Provincial Levies - Concluded

TABLE 6. Miscellaneous Provincial Levies – Concluded											
Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.					
		1	!								
-		The Health Insurance Premiums Act; R.S.A. 1969, c. 45 and amendments.	Medical Services Act; S.B.C. 1967, c. 24.	Health Care Insurance Plan Ordinance; R.O.Y.T. 1971, c. H-1.	_	1					
-		Annual premiums.	Monthly premiums.	Monthly premiums.	_	2					
_	_	Single \$ 76.80 Family \$153.60 A \$5 non-insurable registration fee is levied.	Single \$ 7.50 Family of two \$15.00 Family of three or more \$18.75	Single \$ 4.75 Family of two \$ 9.25 Family of three or more \$11.00	_	3					
	_	Persons 65 years of age and over and persons with no taxable income do not have to pay premiums.  Hospitalization and medical care contributions are combined.	The hospital insurance program is financed from general tax revenue.  The province subsidizes 90% of the premiums of persons with no taxable income in the previous year and 50% of the premiums of persons with taxable income not in excess of \$1,000 in the previous year.	The Territory subsidizes 100% of the premiums of persons with no taxable income and 50% of the premiums of single persons with taxable income of less than \$500, of families of two with taxable income of less than \$1,000 and of families of three or more with taxable income less than \$1,300.	_  -  -	4					
Tax on electricity, telephone service and other products	Motor vehicle insurance tax	Bus mileage	_	Fur tax	Fur tax	5					
The Revenue Act (Part I); R.S.M. 1970, c. R-140 and amendments.	The Motor Vehicle Insurance Premiums Tax Act; R.S. S. 1967, c. 19.	The Public Service Vehicles Act; R.S.A. 1970, c. 300 and amendments.		Fur Export Ordinance; R.O.Y.T. 1971, c. F-12 and amendments.	Fur Export Ordinance: R.O.N.T. 1974, c. F-11.						
Purchase price of tax- able products which include electricity, certain natural and manufactured gas, coal and derivatives, steam or hot water.	Gross premiums receivable.	By passenger mile.		Per pelt exported.	Per pelt exported.	7					
5%	1%	1/15 of \$0.01 per passenger mile on hard surface roads; 2/45 of \$0.01 per passenger mile on gravel roads.	-	Various rates.	\$1	8					
Domestic purchase of taxable product used for heating dwelling are exempt.		Todus,		Rates are established by regulations with a range from \$0.01 to \$5 per pelt.	-	9					
man.	**************************************	_	-	-	_ !	10					
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# PART III

TAXES LEVIED BY MUNICIPAL GOVERNMENTS



## TAXES LEVIED BY MUNICIPAL GOVERNMENT

The principal revenue available to municipalities from own sources is that generated by taxes on the ownership and occupancy of real property situated within their boundaries. The most important of such taxes is the real property tax which accounted for 67% of own source revenue in 1975, followed by business taxes (6%) and special assessment taxes including local improvements charges (3%), 1

#### Real Property Tax

Generally the taxation of real property at the local level is governed by provincial legislation. Such legislation empowers municipal councils to levy real property taxes for their own direct revenue requirements and obligates them to levy real property taxes for the revenue requirements of other local government entities, which are also governed by provincial statutes, such as school boards, county or regional governments and special authorities (e.g., Convervation Authorities or Regional Health Units in Ontario, or Regional Hospital Boards in British Columbia).

In some provinces, however, bodies other than Municipal Councils have taxing authority in their own right. In Newfoundland, for example, School Tax Authorities levy and collect school taxes; in Prince Edward Island and New Brunswick regional school boards may levy property taxes to supplement the provincial educational program (this authority has not been used to date). In Quebec school boards are empowered to levy a real property tax which they may collect directly or they may employ the municipality as their collecting agency. In British Columbia district school boards in non-municipally organized areas set the rates of real property taxes for school purposes but collections are made by the province.

The real property tax rate is generally expressed in mills (an amount per \$1,000 of the base) or in dollars (an amount per \$100 of the base). It is, however, very difficult to make valid comparisons of rates across Canada. Some of the principal factors affecting rate comparability are:

- (a) widely varying methods of assessment of real property value not only among the provinces but also, to a large extent, among local entities within a province;
- (b) different ways of determining the fair market value or real value of properties among assessment authorities;
- (c) various degrees of development of the municipal system from one province to another;
- (d) uneven delegation of responsibilities to municipalities by the government of each province and, hence different form and magnitude of the financial assistance that municipalities receive from their respective provincial government.

For reasons such at these, specific rates are not reported in this publication. However, the main aspects of the real property tax are set out in Table 7.

#### **Business Tax**

Proceeds from the business tax levied on the owners or operators of a business, in addition to the real property tax on the owners of the premises, are the second most important revenue available to municipalities from own sources. There are numerous bases upon which business taxes are imposed, among which the most commonly used throughout the provinces are as follows:

- (a) Rental value: The business tax rate is applied to a specific or prescribed percentage of the assessed rental value of either the entire real property or, as the case may be, the part used to carry out business. Maximum rates of taxation and percentages of rental value are generally laid down by statutes or fixed by a by-law. Rental value of business real properties is used as the basis for business tax by all municipalities in New Brunswick, Manitoba, Alberta and British Columbia, cities and towns in Quebec and cities in Saskatchewan.
- (b) Real property assessment: The value on which the business tax is levied is determined through the application of percentages (usually established by provincial legislation) to the assessed value of real property occupied for business purposes. Ontario, Prince Edward Island and Newfoundland appear to be the sole provinces currently authorizing this form of business taxation.
- (c) Stock-in-trade: The tax base is the assessed average value of goods on hand at a specified date. Actual costs, selling prices or any intermediate estimated value may be used to determine the tax base. This type of base for business taxation purposes is used, in varying degrees, in Newfoundland, Nova Scotia, Quebec and Manitoba.
- (d) Square footage: In this instance, the business tax payable is determined by applying a dollar rate by square foot of the premises' area occupied to carry out business activities. This way of determining the business tax is used in Saskatchewan, the Yukon and, to a lesser extent, in Alberta.

Business tax rates applied to any one of the above-described tax basis vary among types of business and between cities and other categories of municipal legal organizations, i.e., towns, villages, etc.

### Special Assessment Taxes and Local Improvement Charges

Unlike the above-mentioned municipal levies, special assessment taxes and local improvement charges usually relate to the supply of specific services. The first type is generally, but not always, levied throughout a municipality's territory for financing all or part of services benefiting the entire or a large proportion of the local population. For instance, services such as the supply of water, street lighting, garbage collection and disposal may bear a special tax consisting of either a charge related to the consumption of a particular service (e.g., the consumption of water in the case of water supply), a fixed amount per ratepayer based on the costs of the service or a special rate against the assessed value of real property.

The second type of levies, local improvement charges, are established chiefly for financing specific new undertakings (e.g., sidewalks, sewers, water mains, roads, etc.) and are generally, but not always, temporary. In other words, they should theoretically last as long as required to finance all or portions of the initial capital expenditure entailed by the new undertaking. Usually, the initial costs are distributed among the ratepayers receiving direct benefits from the new service. Criteria used to distribute these costs vary, however, among municipalities: in some cases, only the residents of a particular area within the municipality bear such costs while, in other instances, all ratepayers of the municipality are taxed although they may not benefit directly from the related undertaking. In addition, the base upon which costs are distributed may take various forms, such as the total or a portion of the real property assessed value, land area or frontage on streets.

The wide variety of existing arrangements makes interprovincial comparisons of the above-described taxes impractical.

<sup>&</sup>lt;sup>1</sup> For further information on the importance of real property taxes in municipal revenue, refer to *Local Government Finance*, Catalogue 68-203.

TABLE 7. Main Aspects of the Real Property Tax

	TABLE /, Main Aspects of the Real Floperty Tax										
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario				
1	Statutory authority	(a) The Assessment Act; R.S.N. 1970, c. 14 and amendments.	(a) Real Property Assessment Act; R.S.P.E.I. 1974 c. R-5 and amend- ments.	(a) The Assessment Act; R.S.N.S. 1967, C. A-14 and amendments.	(a) The Assessment Act; R.S.N.B. 1973, c. A-14 and amendments.	(a) Real Estate Assessment Act; S.Q. 1972, c. 50 and amendments.	(a) Assessment R.S.O. 1970, c and amendme				
		(b) The Local Government Act; S.N. 1972, Act No. 32 and amendments.	(b) Real Property Tax Act; R.S.P.E.I. 1974, c. R-6 and amend- ments.	(b) The Municipal Act; R.S.N.S. 1967, c. 192 and amendments.	(b) Real Property Tax Act; R.S.N.B. 1973, c. R2 and amendments.	(b) The Cities and Towns Act; R.S.Q. 1964, c. 193 and amendments.	(b) Municipal R.S.O. 1970, 284 and am ments.				
		(c) Local School Tax Act; R.S.N. 1970, c. 220 and amendments.	(c) The School Act; R.S.P.E.I. 1974, c. S-2 and amend- ments.	(c) The Education Act; R.S.N.S. 1967, c. 81 and amendments.		(c) Municipal Code; S.Q. 1870, c. 68; revised in 1916 and further amended.	(c) The Provincial I Tax Act; R.: 1970, c. 370 amendments.				
		(d) Forest Land (Management and Taxation) Act; S.N. 1974, Act No. 59 and amendments.		(d) The Land Tax Act; R.S.N.S. 1967, c. 161 and amendments.		(d) Quebec and Montreal Town Charters.	(d) Separate Sch. Act; R.S.O. 1 c. 430 and am ments.				
				(e) Halifax City Charter; S.N.S. 1963, c. 52 and amendments.		(e) Education Act; R.S.Q. 1964, c. 235 and amend- ments.					
2	Method of assessment	(b) (c) Assessment at actual value by municipal assessors under the supervision of a provincial appointed director of assessments.	(a) (b) (c) Assessment made at the market value or real value of real property considered either as commercial realty or non-commercial realty.	(a) (c) Assessment made at the actual cash value of property.  (d) Value of land assessed, for purposes of taxation, at \$2 an acre.	(a) Assessment made at real and true value of real property by provincial assess- ors.	(a) (b) (d) (e) Assessment made at real value of property in accordance with the provincial assessment handbook.	(a) Lands and buik assessed at may value annually provincial as ment con sioner. The jince is divided assessment and assessmen tricts.				
		(d) Fair market value of unmanaged land and net present value of managed land.	(b) Additional farm assessment based on economic fac- tors determined by regulations.	(e) Assessed value as determined by the city assessor.							
3	Rate determination	(b) Determined by Municipal Councils.  (c) Fixed annually by the Authority of the School Tax Area, whether as a real property or as a poll tax or both, who levies and collects it.  (d) Persons holding timber rights are subject to a standard land tax not to exceed \$0.21 per acre. An additional tax of 5% on the fair market value of unmanaged land and of 1% on the net present value of managed land.	levied and collected by the province.  (b) Determined by City Councils in addition to the provincial property tax.  (c) Determined by Board of School Trustees after deducting the yield of the poll tax.	(c) Area rate on the assessed value of property, determined by municipality council, necessary to levy sums required by trustees of school authorities.  (d) Determined and	and conected by the province.  (b) Rate determined annually to provide for local services within a local service district.  Municipalities may determine a rate in addition to the provincial rate and have collec-	(e) A uniform rate of \$1.05 throughout the province, as determined by the Department of Education, but school boards are free to charge an additional rate to meet certain expenditure. School taxes are	ally by Mum Councils for eral and p school purp  (c) In unorga regions, prov property tax 1/2%; minimu in respect of land: \$6.  (d) Determined separate s boards but get boards but get y collected b municipality.				

TABLE 7. Main Aspects of the Real Property Tax

			TABLE 7. Main Aspec	ts of the Real Property Ta	x		
	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
	The Municipal Assessment Act; R.S.M. 1970, c. M226 and amendments.	(a) The Urban Municipalities Act; S.S. 1970, c. 78 and amendments.	(a) The Municipalities Assessment and Equalization Act; R.S.A. 1970, c. 252 and amendments.	(a) The Assessment Act; S.B.C. 1974, c. 6 and amendments,	Taxation Ordinance; O.Y.T. 1972, c. T13 and amendments.	(a) Municipal Ordinance: R.O.N.T. 1974, c. M-15.	
	The Municipal Act; R.S.M. 1970, c. M225 and amendments.	(b) The Rural Municipality Act; S.S. 1972, c. 101 and amendments.	(b) The Municipal Taxation Act; R.S.A. 1970, c. 251 and amendments.	(b) Municipal Act; R.S.B.C. 1960, c. 255 and amend- ments.		(b) Property Taxation Ordinance; O.N.T. 1975, c T1.	
	lajor cities' individual city charters,	(c) The Local Improvement Districts Act; R.S.S. 1965, c. 151 and amendments.	(c) The School Act; R.S.A. 1970, c. 329 and amendments.	(c) Public School Act; R.S.B.C. 1960, c. 319 and amend- ments.			1
	he Public School Act; R.S.M. 1970, c. P250 and amendments.	(d) The Northern Administration Act; R.S.S. 1965, c. 412 and amendments.	(d) The Electric Power and Pipe Line As- sessment Act; R.S.A. 1970, c. 119 and amendments,	(d) Taxation Act; R.S.B.C. 1960, c. 376 and amend- ments.			
	he Commissioner of Northern Manitoba Affairs Act; R.S.M. 1970, c. N100 and amendments.	(e) The School Assessment Act; R.S.S. 1965, c. 187 and amendments.		(e) Vancouver Charter, S.B.C. 1953, c. 55 and amendments.			
(a) Pr	and assessed at full ralue, buildings at 2/3 of value.  ovincial-municipal assessor to supervise nunicipal assessments and equalize assessments as between nunicipalities included a municipal assessment istricts.	(a) Lands assessed at fair value; buildings and improvements assessed at not more than 60% of fair value.  (b) (c) (d) Lands assessed at fair value; buildings assessed at 60% of fair value  (e) Taxable assessment for municipal purposes.	(b) Land assessed at fair actual value; improvements assessed at percentage of fair actual value.	(a) Lands and improvements assessed at actual value.  (b)(c)(e) Land assessed at full value and improvements at 75% of full value.	Land assessed at fair value; improvements assessed in accordance with the assessment manual approved by the Commissioner.	(a) Land assessed at fair value; buildings at 2/3 of fair value.  (a) Land and improvements assessed separately at fair actual value.	2
) Scot dining fit the beautiful fit fit the beautiful fit the beautiful fit fit the beautiful fit fit the beautiful fit fit the beautiful fit fit fit the beautiful fit fit fit fit fit fit fit fit fit fit	etermined by municipal councils for general pur- loses.  hool tax: a flat rate, etermined by the prov- lose under the School oundation Program and an additional rate, etermined by municipalities to meet the uther requirements of their school boards; oth levied and collect- their school boards; oth levied and collect- their school boards; oth levied and collect- their school boards; oth levied and collect- their school boards; oth levied and collect- their school boards; oth levied and collect- their school boards; oth levied and collected in unor- ministrator at a rate etermined by the covince, may be levied and collected in unor- mized northern areas, the Commissioner of orthern Affairs.	(a) (b) Determined by Municipal councils.  (c) Determined by the Minister of Municipal Affairs.  (d) Determined by the administrator of the Act.  (e) Requisitions upon municipalities to levy amounts necessary to meet requirements of school boards.	(b) (d) Determined by Councils to meet amounts requisitioned upon them.  (c) School boards must submit, in a prescribed form to municipalities, requisitions stating the amounts of property tax revenue to be raised by each municipality. This provision does not apply to school boards empowered to collect their own school taxes.  (c) Each municipality should pay into the School Foundation Program Fund amounts resulting from applying a rate, not exceeding 32 mills, to the equalized assessment as established under the Act mentioned in (a).	(b) Determined by Municipal Councils for own requirements and those requisitioned upon them by various boards.  (c) Determined by school boards and stated in their requisitions upon municipalities or upon the province in unorganized areas.  (d) Determined by the province in unorganized area.	Determined by Municipal Councils for real properties within municipal boundaries for both municipal and school purposes, and by territorial Councils for real properties in non- municipal organized areas for school pur- poses.	(a) Determined by the council of every district.  (b) Determined by the Commissioner in unorganized areas for general purposes.  (b) In addition the Commissioner may, for school purposes, levy in hamlets a property tax not exceeding 20 mills.	3

TABLE 7. Main Aspects of the Real Property Tax — Concluded

		Newfoundland	Prince Edward	Nova Scotia	New Brunswick	Quebec	Ontario
<u>No.</u>		(b) Crown property; lands and buildings used for educational or religious purposes; lands and buildings used in connection with a provincially subsidized hospital; lands and buildings used for library purposes; historical property; land used solely on a non-profit basis for community games, sports, athletics, etc., property used by a charitable or philanthropic institution. Tax exemptions voted by Municipal Councils.  (d) Lands under 300 acres, area situated in St. John's or Corner Brook; land assessed under the Local Government Act.	(b) Places of public worship; non-profit cemetery or burying ground; public parks; Crown lands; buildings or structures which are part of a purification system but not the land on which they are situated; university lands; public educational institutions, real property owned or used by the Maritime Christian College for religious education; real property owned by the Queen in right of Canada.  (c) Real property of cheese and butter factories; public halls; orphanages; cemeteries; parochial residences; school; churches; hospitals.	(a) Crown property; church property; schools; municipal buildings; school lands; city, town and municipal property; firefighting equipment; property of widows and infants; agricultural society property; farm tools, livestock; tools of tradesmen; fishing equipment; farm produce; animals pelts; sea products; railway stock; boats; property used in offshore petroleum exploration; Royal Canadian Legion; Boy Scouts; Girl Guides; hospital property; aircraft; village property; bomb shelter. Tax exemptions voted by Legislature.	(a) Real property owned by a church or religious order and used solely for religious, educational or charitable purposes; burying grounds; real property used for educational purposes and owned by universities and affiliated colleges and private schools; property owned by scientific, literary and historical socities; real property owned by voluntary fire associations; real property owned by voluntary fire associations; real property to the extent of one acre of land used as resident by a self supporting wife with an income of less than \$5,000 where the assessed value does not exceed \$25,000 (maximum exemption \$4,000).	(b) Crown lands; federal, provincial and municipal property; property owned by fabriques, religious, charitable or educational institutions; churches; cemeteries; libraries; subsidized railway; private educational establishments and institutions; registry offices; exhibition property of agricultural societies; property of school municipalities governed by special acts. Tax exemptions voted by Municipal Councils.	(a) Crown lands; Indi lands; church cemeteries; pub educational intutions; philithropic or religit seminaries; edutional seminari public hospit; highways; muni pal property; B Scouts and (Guides; industr farms; charital institutions; cl dren's aid societi scientific or litary institutio battle sites; hibition buildin of compani machinery manufacturing farming purpos property of testry purpos property of testry purpos property of tegraph compani religious institutions; navy leagumining buildin and minerals.
5	Comments	(e) Minimum real property tax of \$5.  The cities of St. John's and Corner-brook levy taxes under separate Acts.	Tax rate on farm property is 50% of the general rate, except for farm residences.	Persons aged 65 years or over are exempt from property tax.  Persons aged 65 years or over, widow, unmarried woman or deserted wife may have an exemption up to \$4,500.	School district and local service district tax rates are fixed annually by the Minister of Municipal Affairs.  Collections are made by the provincial government except in cases where a municipality desires to levy a municipal tax in addition to the provincial tax.	For municipalities governed by the Municipal Code, assessment is made by County Councils.  Factors of correction are applied to municipal assessments for school tax purposes by the Department of Education.	(b) Minimum real proferry tax of levied by the prince in unorgized areas.

TABLE 7. Main Aspects of the Real Property Tax — Concluded

Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	N
rown lands, Indian lands; municipal lands, public and private school lands and buildings; hospitals; educational institutions; churches; Sunday schools; building used for religious purposes; public burying grounds.  temptions from school axes only: lands and buildings of old age home, agricultural societies; colleges and seminaries, charitable institutions, Y.M.C.A., Y.M.H.A., municipal buildings for community purposes; buildings of veteran's association of World War I and II and museums when owners are incorporated and registered as a charitable organization.	Crown property, Indian lands; place of public worship and connected land under certain conditions; certain cemeteries; certain property owned and occupied by a school district or school unit; hospital buildings and ground under certain conditions; Y.M.C.A.; Y.W.C.A.; law school established and maintained by the Benchers of the Law Society of Saskatchewan; municipal property; highways, lane, park; public libraries; building and grounds owned by a branch of the Royal Canadian Legion Saskatchewan Command; veterans and disabled veterans' association of Saskatchewan; the Canadian Mental Health Association; war memorial and ground connected therewith; Child Welfare Society; Agricultural Society; buildings owned by a rural municipality and used for municipal purposes.	Land and improvements owned by a municipality or the Crown; school buildings and school lands owned by a school division; parcel of land held by or for the use of any religious body; building used for public worship or religious education; cemeteries; land of a provincially subsidized hospital; minerals; farm buildings; growing crops; irrigation works held by an irrigation district; property held by a public college or any educational institution; land and improvement vested in a library board.	Crown lands; municipal lands; public libraries; property vested in school boards; Indian lands; cemeteries; churches; homes for the aged; public hospitals; private education and institutions; fruit trees; farm improvements; parks or recreation facilities owned by another municipality; parks property used for athletic or recreational purposes; charitable organizations; agricultural and horticultural societies; historical sites; property used and land acquired for water purposes; fixture, machinery, etc., removable by tenants.	Crown land; land for the public use of the Territory; land used by municipalities; universities; libraries; hospitals, mental institutions, orphanages and homes for the aged supported entirely by the Territory; land used for cemeteries; land and buildings held by or for the use of divine service, public worship or religious education.	Property owned by a literary or scientific institute or society or orphanage, university, hospital, public library, asylum or home for the aged or infirm; property owned by a municipal district or held by the Crown; property used as a public or separate school; church; cemeteries.	
	_	Pipelines, electric works and transmission lines are assessed under the Electric Power and Pipe Line Assessment Act: R.S.A. 1970. c. 119 and amendments.	Taxes are levied on land alienated from the railway company under the Esquimalt and Nanaimo Railway Belt Land Tax Act; R.S.B.C. 1960, c. 133.	A school tax is levied by the territorial government on the assessed value of real property outside a municipality's boundaries.  There is a basic rate of school tax determined by the territorial commissioner, collected by the municipalities and paid to the territorial treasurer.	In hamlet an education tax is levied on the assessed value of all lands by the terri- torial government.	5



# PART IV

HISTORICAL TABLES OF THE MOST IMPORTANT TAXES

TABLE I. Personal Income Taxes Levied by the Federal Government, 1966 to 1976

1966	1969
D.LTEG	RATES
RATES  "Basic" personal income tax (excluding old age security tax):	Same as 1968 except for the imposition of a social development tax equal to 29
11% on first \$1,000 of taxable income	taxable income (maximum \$120).
\$ 110 on \$ 1,000 plus 14% on next \$ 1,000 250 " 2,000 " 17% " " 1,000	EXEMPTIONS AND DEDUCTIONS
420 " 3,000 " 19% " " 1,000 610 " 4,000 " 22% " " 2,000	Same as 1966.
1,050 " 6,000 " 26% " " 2,000	TAX ABATEMENTS, REDUCTIONS AND CREDITS
1,570	Same as 1967.
2,870 " 12,000 " 40% " " 3,000 4,070 " 15,000 " 45% " " 10,000	1970
8,570 " 25,000 " 50% " " 15,000	1770
16,070	RATES
45,070 " 90,000 " 65% " " 35,000 67,820 " 125,000 " 70% " " 100,000	Same as 1969.
137,820 " 225,000 " 75% " " 175,000	EXEMPTIONS AND DEDUCTIONS
269 070 " 400,000 " 80% " remainder	Same as 1966 except that the old age exemption of \$500 is restricted to person
Old age security tax: 4% of taxable income (maximum \$120).	years of age and over.
Tax on investment income from sources outside Canada:	TAX ABATEMENTS, REDUCTIONS AND CREDITS
4% of the taxpayer's income from investment outside Canada, after deduction of \$2,400 or the total of his personal exemptions, whichever is greater, plus allowable charitable	
donations and medical expenses.	1971
EXEMPTIONS AND DEDUCTIONS	RATES
Married taxpayer	"Basic" personal income tax (excluding old age security tax):
Single taxpayer	
Other dependants	\$ 240 ° 2,000 ° 18% ° 1,000
Charitable donations and medical expenses: standard deduction of \$100 or	610 " 4,000 " 22% " " 2,000
Charitable donations: Up to 10% of income.	1,050 " 6,000 " 26% " " 2,000 1,570 " 8,000 " 30% " " 2,000
Medical expenses:	2,170 " 10,000 " 35% " " 2,000
Over 3% of income.	2,870 " 12,000 " 40% " " 3,000 4,070 " 15,000 " 45% " " 10,000
Union or professional dues:  No restriction.	8,570 " 25,000 " 50% " " 15,000 16,070 " 40,000 " 55% " " 20,000
TAX ABATEMENTS, REDUCTIONS AND CREDITS	27,070 " 60,000 " 60% " " 30,000
Increase in the abatement in favour of the provinces to 21% for all provinces and to 44%	45,070 " 90,000 " 65% " " 35,000 61,67,820 " 125,000 " 70% " " 100,000
for Quebec, (the additional 23 percentage points in Quebec are in respect of fiscal com	
pensation for opting out of certain federal-provincial shared cost programs). Tax reduction equal to the sum of 4% of "basic" personal income tax (maximum \$240	
and 12% of "basic" personal income tax (maximun \$12).  Credit for dividends from Canadian corporations: 20% of the amount of dividends received	4% of taxable income (maximum \$240).
Create for distance and from Canadian Corporations. 20 % of the amount of distance received	(maximum \$100).
1967	The surtax on basic personal income tax in excess of \$200 is reduced to 11/  Tax on investment income from sources outside Canada:
RATES	Same as 1966.
Same as 1966 except for an increase from \$120 to \$240 for the maximum old age securit	EXEMPTIONS AND DEDUCTIONS
tax payable.	Same as 1970 except that the amount of any guaranteed income supplement pay
EXEMPTIONS AND DEDUCTIONS	under the Old Age Security Act is deductible in computing taxable income.
Same as 1966.	TAX ABATEMENTS, REDUCTIONS AND CREDITS
TAX ABATEMENTS, REDUCTIONS AND CREDITS	Same as 1967 except for the repeal of the "basic" personal income tax reductio 20% (maximum \$20).
Increase in the abatement in favour of the province to 28% for all provinces other tha	
Quebec, and 50% in Quebec. The tax reductions of the previous year are changed to a single reduction equal to 20% c	f 1972
"basic' personal income tax (maximum \$20).	
The credit for dividends from Canadian corporations remains at $20\%$ of the amount of dividends received.	KATES
	"Basic" personal income tax (as revised in 1971 for 1972 taxation year):
1968	\$ 85 on \$ 500 plus 18% on next \$ 500
RATES	175 " 1,000 " 19% " " 1,000 365 " 2,000 " 20% " " 1,000
Same as 1967 except for the imposition of a surtax equal to 3% of basic personal incom	6 565 " 3,000 " 21% " " 2,000 985 " 5,000 " 23% " " 2,000
tax in excess of \$200.	1 445 " 7,000 " 25" " 2,000
EXEMPTIONS AND DEDUCTIONS	1,945 " 9,000 " 27% " " 2,000 2,485 " 11,000 " 31% " " 3,000
Same as 1966.	3,415 " 14,000 " 35% " " 10,000
TAX ABATEMENTS, REDUCTIONS AND CREDITS	6,915 ** 24,000 ** 39% ** ** 15,000 12,765 ** 39,000 ** 43% ** ** 21,000
Same as 1967.	, 21,795 " 60,000 " 47% " excess

# TABLE I. Personal Income Taxes Levied by the Federal Government, 1966 to 1976 - Concluded

1972 PERSONAL EXEMPTIONS	
	1974
rried taxpayer	PERSONAL EXEMPTIONS
rele laxpayer	Single taxpayer
pendant child under 16 years of age. 300 her dependants. 550	
xpayer aged 65 years or over	Other dependants (as defined by law)
DEDUCTIONS	Taxpayer aged 65 years or over
aritable donations up to 20% of net income.	DEDUCTIONS
fts to the federal or provincial governments.	\$1,066 for blind persons or persons confined to a bed or wheelchair.
dical expenses in excess of 3% of net income.	Interest income up to \$1,000
optional standard deduction of \$100 in lieu of claiming charitable donations and	Home Ownership Savings Plan.
,000 for blind persons or persons confined to a bed or wheelchair.	TAX REDUCTIONS AND CREDIT
ments of supplement under Old Age Security Act	A strong that a second
O for each month in attendance at a post-secondary institution for students and/or	mum of \$500.
n-capital losses sustained in any of the five preceding years net capital losses up to the	SURTAX
mount of any taxable gains (maximum of \$1,000 may be deducted from other sources	Same as 1972
fincome) and restricted farm losses of prior years to the extent of farm income.	
TAX REDUCTIONS AND CREDITS	1975
neral averaging when income exceeds 120% of average income of the preceding four	1//3
ears or 110% of income for the immediately preceding year.	RATES
eraging for farmers or fishermen for a block of five years.  **tax abatement for income earned in Quebec in compensation for the province's	
oting-out of certain shared-cost programs.	\$ 53 on \$ 587 plus 18% on next \$ 587
general 3% reduction of basic federal tax (minimum of \$200 and maximum of \$500)	158 " 1,174 " 19% " " 1,174
credit for dividends from Canadian corporations. (The amount of dividends received is creased by $33.1/3\%$ and $20\%$ of the "grossed up" dividend is allowed as a credit against	382 " 2.348 " 20% " " 1.174
(x,y) and $(x,y)$ and $(x,y)$ of the grossed up dividend is allowed as a credit against	1,109 " 5,870 " 23% " " 2,348
inter vivos trust (other than mutual fund trust) established after June 17, 1971 which	1,649 " 8,218 " 25% " " 2,348
taxed at the greater of 39% or rates applicable to individuals. oreign tax credit is applicable to foreign non-business income and income from business	2,236 " 10,566 " 27% " " 2,348 2,870 " 12,914 " 31% " " 3,522
irried on in a foreign country.	3,962 " 16,436 " 35% " " 11,740
ogging tax credit which is the lesser of 2/3 of logging taxes paid to a province or 6 2/3%	8.071 " 28,176 " 39% " " 17,610
income from logging operations.	14,939 " 45,786 " 43% " " 24,654 25,540 " 70,440 " 47% " excess
SURTAX	25,540 75,440 4776 EXCESS
% on income not earned in a province which applies to income earned in the Yukon and	PERSONAL EXEMPTIONS
orthwest Territories or business income earned in another country.	Married taxpayer
1072	Single taxpaver
1973	Other dependants (as defined by law)
RATES	Taxpayer aged 65 years or over
% on the first \$500 of taxable income	DEDUCTIONS
75 on \$ 500 plus 18% on next \$ 500	
165 " 1000 " 19% " " 1000	\$1,174 for blind persons or persons confined to a bed or wheelchair. Interest and Canadian dividend income up to \$1,000.
355 ' 2,000 " 20% " " 1,000 555 " 3,000 " 21% " " 2,000	\$1,000 for pension income other than from universal pension plans.
975 " 5,000 " 23% " " 2.000	
1,435 " 7,000 " 25% " " 2,000 1,935 " 9,000 " 27% " " 2,000	TAX REDUCTIONS AND CREDIT
1,935 " 9,000 " 27% " " 2,000 2,475 " 11,000 " 31% " " 3,000	A general 8% reduction of basic federal tax (minimum reduction \$200, maximum \$500) replaces the 5% reduction of 1973.
3,405 " 14,000 " 35% " " 10,000	
6,905 " 24,000 " 39% " " 15,000 2,755 " 39,000 " 43% " " 21,000	SURTAX
2,755 " 39,000 " 43% " " 21,000 " 47% " excess	Same as 1972.
PERSONAL EXEMPTIONS	107/
ried taxpayer	1976
gle taxpayer	RATES
er personal exemption:	6% on the first \$654 of taxable income
me as 1972.	\$ 39 on \$ 654 plus 18% on next \$ 653
DEDICONO	157 " 1,307 " 19% " " 1,307
DEDUCTIONS	
ne as 1972.	667 " 3.921 " 21% " " 2.614
tax reductions and credit	667 " 3,921 " 21% " " 2,614 1,216 " 6,535 " 23% " " 2,614
ne as 1972.  TAX REDUCTIONS AND CREDIT  eneral 5% reduction of basic federal tax (minimum reduction \$100, maximum \$500)	667 " 3,921 " 21% " " 2,614 1,216 " 6,535 " 23% " " 2,614 1,817 " 9,149 " 25% " " 2,614
TAX REDUCTIONS AND CREDIT eneral 5% reduction of basic federal tax (minimum reduction \$100, maximum \$500) places the 3% reduction of 1972.	667 " 3,921 " 21% " " 2,614 1,216 " 6,535 " 23% " " 2,614 1,817 " 9,149 " 25% " " 2,614 2,470 " 11,763 " 27% " " 2,614 3,176 " 14,377 " 31% " " 3,921
TAX REDUCTIONS AND CREDIT  eneral 5% reduction of basic federal tax (minimum reduction \$100, maximum \$500)  places the 3% reduction of 1972.  SURTAX	667 " 3,921 " 21% " " 2,614 1,216 " 6,535 " 23% " " 2,614 1,817 " 9,149 " 25% " " 2,614 2,470 " 11,763 " 27% " " 2,614 3,176 " 14,377 " 31% " " 3,921 4,392 " 18,298 " 35% " " 13,070
TAX REDUCTIONS AND CREDIT eneral 5% reduction of basic federal tax (minimum reduction \$100, maximum \$500) places the 3% reduction of 1972.	667 " 3,921 " 21% " " 2,614 1,216 " 6,535 " 23% " " 2,614 1,817 " 9,149 " 25% " " 2,614 2,470 " 11,763 " 27% " " 2,614 3,176 " 14,377 " 31% " " 3,921 4,392 " 18,298 " 35% " " 13,070 8,966 " 31,368 " 39% " " 19,605
TAX REDUCTIONS AND CREDIT  eneral 5% reduction of basic federal tax (minimum reduction \$100, maximum \$500)  places the 3% reduction of 1972.  SURTAX  te as 1972.	667 " 3,921 " 21% " " 2,614 1,216 " 6,535 " 23% " " 2,614 1,817 " 9,149 " 25% " " 2,614 2,470 " 11,763 " 27% " " 2,614 3,176 " 14,377 " 31% " " 3,921 4,392 " 18,298 " 35% " " 13,070
TAX REDUCTIONS AND CREDIT  eneral 5% reduction of basic federal tax (minimum reduction \$100, maximum \$500)  places the 3% reduction of 1972.  SURTAX	667 " 3,921 " 21% " " 2,614 1,216 " 6,535 " 23% " " 2,614 1,817 " 9,149 " 25% " " 2,614 2,470 " 11,763 " 27% " " 2,614 3,176 " 14,377 " 31% " " 3,921 4,392 " 18,298 " 35% " " 13,070 8,966 " 31,368 " 39% " " 19,605 16,612 " 50,973 " 43% " " 27,447 28,414 " 78,420 " 47% " on excess
TAX REDUCTIONS AND CREDIT  eneral 5% reduction of basic federal tax (minimum reduction \$100, maximum \$500)  places the 3% reduction of 1972.  SURTAX  1974	667 " 3,921 " 21% " " 2,614 1,216 " 6,535 " 23% " " 2,614 1,817 " 9,149 " 25% " " 2,614 2,470 " 11,763 " 27% " " 2,614 3,176 " 14,377 " 31% " " 3,921 4,392 " 18,298 " 35% " " 13,070 8,966 " 31,368 " 39% " " 19,605 16,612 " 50,973 " 43% " " 27,447 28,414 " 78,420 " 47% " on excess  PERSONAL EXEMPTIONS
TAX REDUCTIONS AND CREDIT  eneral 5% reduction of basic federal tax (minimum reduction \$100, maximum \$500)  places the 3% reduction of 1972.  SURTAX  1974	667 " 3,921 " 21% " " 2,614 1,216 " 6,535 " 23% " " 2,614 1,817 " 9,149 " 25% " " 2,614 2,470 " 11,763 " 27% " " 2,614 3,176 " 14,377 " 31% " " 3,921 4,392 " 18,298 " 35% " " 13,070 8,966 " 31,368 " 39% " " 19,605 16,612 " 50,973 " 43% " " 27,447 28,414 " 78,420 " 47% " on excess  PERSONAL EXEMPTIONS
TAX REDUCTIONS AND CREDIT  eneral 5% reduction of basic federal tax (minimum reduction \$100, maximum \$500)  places the 3% reduction of 1972.  SURTAX  1974  RATES  % on the first \$500 of taxable income	667 " 3,921 " 21% " " 2,614  1,216 " 6,535 " 23% " " 2,614  1,817 " 9,149 " 25% " " 2,614  2,470 " 11,763 " 27% " " 2,614  2,470 " 11,763 " 27% " " 2,614  2,470 " 18,298 " 35% " " 13,070  8,966 " 31,368 " 39% " " 19,605  16,612 " 50,973 " 43% " " 27,447  28,414 " 78,420 " 47% " on excess  PERSONAL EXEMPTIONS  Married taxpayer
TAX REDUCTIONS AND CREDIT  eneral 5% reduction of basic federal tax (minimum reduction \$100, maximum \$500)  places the 3% reduction of 1972.  SURTAX  1974  RATES  % on the first \$500 of taxable income 64 on \$ 533 plus 18% on next \$ 533 160 " 1,066 " 19% " 1,066	667 " 3,921 " 21% " " 2,614  1,216 " 6,535 " 23% " " 2,614  1,817 " 9,149 " 25% " " 2,614  2,470 " 11,763 " 27% " " 2,614  2,470 " 11,763 " 27% " " 2,614  2,470 " 18,298 " 35% " " 13,070  8,966 " 31,368 " 39% " " 19,605  16,612 " 50,973 " 43% " " 27,447  28,414 " 78,420 " 47% " on excess  PERSONAL EXEMPTIONS  Married taxpayer
TAX REDUCTIONS AND CREDIT eneral 5% reduction of basic federal tax (minimum reduction \$100, maximum \$500) places the 3% reduction of 1972.  SURTAX  1974  RATES  % on the first \$500 of taxable income 64 on \$ 533 plus 18% on next \$ 533 160 " 1,066 " 1,066 " 1,066 362 " 2,132 " 20% " " 1,066	667 " 3,921 " 21% " " 2,614  1,216 " 6,535 " 23% " " 2,614  1,817 " 9,149 " 25% " " 2,614  2,470 " 11,763 " 27% " " 2,614  2,470 " 11,763 " 27% " " 2,614  2,470 " 18,298 " 35% " " 13,070  8,966 " 31,368 " 39% " " 19,605  16,612 " 50,973 " 43% " " 27,447  28,414 " 78,420 " 47% " on excess  PERSONAL EXEMPTIONS  Married taxpayer
TAX REDUCTIONS AND CREDIT eneral 5% reduction of basic federal tax (minimum reduction \$100, maximum \$500) places the 3% reduction of 1972.  SURTAX  1974  RATES  % on the first \$500 of taxable income 64 on \$ 533 plus 18% on next \$ 533 160 " 1,066 " 19% " " 1,066 362 " 2,132 " 20% " " 1,066 576 " 3,198 " 21% " " 2,132 1,023 " \$5,330 " 23% " " 2,132	667 " 3,921 " 21% " " 2,614  1,216 " 6,535 " 23% " " 2,614  1,817 " 9,149 " 25% " " 2,614  2,470 " 11,763 " 27% " " 2,614  2,470 " 11,763 " 27% " " 2,614  2,470 " 18,298 " 35% " " 13,070  8,966 " 31,368 " 39% " " 19,605  16,612 " 50,973 " 43% " " 27,447  28,414 " 78,420 " 47% " on excess  PERSONAL EXEMPTIONS  Married taxpayer
TAX REDUCTIONS AND CREDIT  eneral 5% reduction of basic federal tax (minimum reduction \$100, maximum \$500)  places the 3% reduction of 1972.  SURTAX  te as 1972.  1974  RATES  % on the first \$500 of taxable income 64 on \$ 533 plus 18% on next \$ 533 160 " 1,066 " 19% " " 1,066 362 " 2,132 " 20% " " 1,066 576 " 3,198 " 21% " " 2,132 1,033 " 5,330 " 23% " " 2,132 1,514 " 7,462 " 25% " " 2,132	667 " 3,921 " 21% " " 2,614 1,216 " 6,535 " 23% " " 2,614 1,817 " 9,149 " 25% " " 2,614 2,470 " 11,763 " 27% " " 2,614 2,470 " 11,763 " 27% " " 2,614 3,176 " 14,377 " 31% " " 3,921 4,392 " 18,298 " 35% " " 13,070 8,966 " 31,368 " 39% " " 19,605 16,612 " 50,973 " 43% " " 27,447 28,414 " 78,420 " 47% " on excess  PERSONAL EXEMPTIONS  Married taxpayer Single taxpayer Single taxpayer Copt to dependent child under 16 years of age Other dependants (as defined by law) 719 Taxpayer aged 65 years or over 1,307
TAX REDUCTIONS AND CREDIT  eneral 5% reduction of basic federal tax (minimum reduction \$100, maximum \$500)  places the 3% reduction of 1972.  SURTAX  1974  RATES  % on the first \$500 of taxable income 64 on \$ 533 plus 18% on next \$ 533 160 " 1,066 " 19%" " 1,066 362 " 2,132 " 20%" " 1,066 362 " 2,132 " 3,330 " 23%" " 2,132 1,023 " 5,330 " 23%" " 2,132 1,024 " 7,462 " 2,5%" " 2,132 2,047 " 7,462 " 2,5%" " 2,132 2,047 " 9,594 " 27%" " 2,132	667 " 3,921 " 21% " " 2,614 1,216 " 6,535 " 23% " " 2,614 1,817 " 9,149 " 25% " " 2,614 2,470 " 11,763 " 27% " " 2,614 2,470 " 11,763 " 27% " " 2,614 3,176 " 14,377 " 31% " " 3,921 4,392 " 18,298 " 35% " " 13,070 8,966 " 31,368 " 39% " " 19,605 16,612 " 50,973 " 43% " " 27,447 28,414 " 78,420 " 47% " on excess  PERSONAL EXEMPTIONS  Married taxpayer
TAX REDUCTIONS AND CREDIT eneral 5% reduction of basic federal tax (minimum reduction \$100, maximum \$500) places the 3% reduction of 1972.  SURTAX  1974  RATES  %on the first \$500 of taxable income 64 on \$ 533 plus 18% on next \$ 533 160 " 1,066 " 19% " " 1,066 362 " 2,132 " 20% " " 1,066 576 " 3,198 " 21% " " 2,132 1,023 " 5,330 " 23% " " 2,132 1,514 " 7,462 " 25% " " 2,132 1,514 " 7,462 " 25% " " 2,132 2,047 " 9,594 " 27% " " 2,132 2,047 " 9,594 " 27% " " 2,132 2,047 " 9,594 " 27% " " 2,132 2,047 " 9,594 " 1,726 " 31% " " 3,198	667 " 3,921 " 21% " " 2,614 1,216 " 6,535 " 23% " " 2,614 1,817 " 9,149 " 25% " " 2,614 2,470 " 11,763 " 27% " " 2,614 2,470 " 11,763 " 27% " " 2,614 2,470 " 11,763 " 27% " " 3,921 4,392 " 18,298 " 35% " " 13,070 8,966 " 31,368 " 39% " " 19,605 16,612 " 50,973 " 43% " " 27,447 28,414 " 78,420 " 47% " on excess  PERSONAL EXEMPTIONS  Married taxpayer
TAX REDUCTIONS AND CREDIT  eneral 5% reduction of basic federal tax (minimum reduction \$100, maximum \$500)  places the 3% reduction of 1972.  SURTAX  1974  RATES  %on the first \$500 of taxable income 64 on \$533 plus 18% on next \$533 160 1,066 19% " 1,066 362 2,132 20% " 1,066 362 2,132 20% " 2,132 1,023 5,330 23% " 2,132 1,023 5,330 23% " 2,132 1,514 7,462 25% " 2,132 2,047 9,594 27% " 2,132 2,047 9,594 27% " 2,132 2,047 9,594 37% " 3,198 3,614 14,924 35% " 10,660 3,345 25,584 " 35% " 10,660 3,345 25,584 " 35% " 10,660	667 " 3,921 " 21% " " 2,614 1,216 " 6,535 " 23% " " 2,614 1,817 " 9,149 " 25% " " 2,614 2,470 " 11,763 " 27% " " 2,614 2,470 " 11,763 " 27% " " 2,614 3,176 " 14,377 " 31% " " 3,921 4,392 " 18,298 " 35% " " 13,070 8,966 " 31,368 " 39% " " 19,605 16,612 " 50,973 " 43% " " 27,447 28,414 " 78,420 " 47% " on excess  PERSONAL EXEMPTIONS  Married taxpayer
TAX REDUCTIONS AND CREDIT  eneral 5 % reduction of basic federal tax (minimum reduction \$100, maximum \$500)  places the 3% reduction of 1972.  SURTAX  te as 1972.  1974  RATES  % on the first \$500 of taxable income 64 on \$ 533 plus 18% on next \$ 533 160 " 1,066 " 19% " " 1,066 576 " 3,198 " 21% " " 2,132 1,023 " 5,330 " 23% " " 2,132 1,514 " 7,462 " 25% " " 2,132 1,514 " 7,462 " 25% " " 2,132 2,047 " 9,594 " 27% " " 2,132 2,047 " 9,594 " 27% " " 2,132 2,047 " 9,594 " 27% " " 3,198 3,614 " 14,924 " 35% " " 10,660	667 " 3,921 " 21% " " 2,614 1,216 " 6,535 " 23% " " 2,614 1,817 " 9,149 " 25% " " 2,614 2,470 " 11,763 " 27% " " 2,614 2,470 " 11,763 " 27% " " 2,614 2,470 " 11,763 " 27% " " 3,921 4,392 " 18,298 " 35% " " 13,070 8,966 " 31,368 " 39% " " 19,605 16,612 " 50,973 " 43% " " 27,447 28,414 " 78,420 " 47% " on excess  PERSONAL EXEMPTIONS  Married taxpayer

TABLE II. Personal Income	Taxes Levied by	the Province of Quebec	, 1966 to 1976
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1966	1967
	EXEMPTIONS AND DEDUCTIONS
RATES	The \$300 exemption for a child under 16 is repealed effective July 1, 1967 (this lea
2% on first \$1,000 of taxable income 52 on \$1,000 plus 6.6% on next \$1,000	a deduction of \$150 available for the taxation year 1967).
52 on \$ 1,000 plus 6.6% on next \$ 1,000 118 " 2,000 " 8.0% " " 1,000	Low income: No tax is payable if income does not exceed \$2,000 if single or \$4,000 if marr.
198 " 3,000 " 8.9% " " 1,000	No tax is payable if income does not exceed \$2,000 in stages of \$1,000 in stages of \$1
287 " 4,000 " 10.3% " " 2,000	Other exemptions and deductions:
493 " 6,000 " 12.2% " " 2,000	Same as 1966
737 " 8,000 " 14.1% " " 2,000	TAX CREDIT
1,019 " 10,000 " 16.5% " " 2,000	The credit for dividends from Canadian corporations is increased to 50% of the co
1,349 " 12,000 " 18.8% " " 3,000 1,913 " 15,000 " 21,2% " " 10,000	sponding federal credit.
1,713	
4,033 " 25,000 " 23.5% " " 15,000 7,558 " 40,000 " 25.9% " " 20,000	1968
12,738 " 60,000 " 28.2% " " 30,000	
21,198 " 90,000 " 30.6% " " 35,000	RATES
31,908 " 125,000 " 32.9% " " 100,000	Same as 1967 except for the imposition of a 6% surtax on the provincial personal
64,808 " 225,000 " 35.3" " " 175,000	income tax.
126.583 " 400.000 " 37.6% " remainder	EXEMPTIONS AND DEDUCTIONS
ax on investment income:	
ax on investment income: $1/2$ of $1\%$ of the taxpayer's income from investment outside Canada, after deduction $1/2$ of $1\%$ or the total of his personal exemptions whichever is greater, plus allowa	of Same as at July 1, 1967.
charitable donations and medical expenses.	TAX CREDIT
EXEMPTIONS AND DEDUCTIONS	Same as 1967.
\$2.0	000
Married taxpayer	1969
Single taxpayer	
Dependant child under 16 years of age	RATES
Dependant child under 16 years of age	550
Dependant child under 16 years of age	
Dependant child under 16 years of age	Same as 1968.
Dependant child under 16 years of age	550 Same as 1968.
Dependant child under 16 years of age	Same as 1968.  EXEMPTIONS AND DEDUCTIONS
Dependant child under 16 years of age	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT
Dependant child under 16 years of age	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967
Dependant child under 16 years of age	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967
Dependant child under 16 years of age	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.
Dependant child under 16 years of age	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  1970  RATES
Dependant child under 16 years of age	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  1970  RATES  Same as 1968 except for the imposition of a health insurance tax, at the rate of of 1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or
Dependant child under 16 years of age.  Other dependants.  Faxpayers aged 65 years of age or over.  Other deductions: Similar to federal income tax deductions in Table I.  TAX CREDIT  Credit for dividends received from Canadian corporations equal to 45% of the fed credit.  1967  RATES	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  1970  RATES
Dependant child under 16 years of age.  Other dependants.  Taxpayers aged 65 years of age or over.  Other deductions: Similar to federal income tax deductions in Table I.  TAX CREDIT  Credit for dividends received from Canadian corporations equal to 45% of the fed credit.  1967  RATES  5.5% on first \$1,000 of taxable income \$ 55 on \$ 1,000 plus 7.0% on next \$ 1,000	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  1970  RATES  Same as 1968 except for the imposition of a health insurance tax, at the rate of of 1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or
Dependant child under 16 years of age.  Other dependants.  Taxpayers aged 65 years of age or over.  Other deductions: Similar to federal income tax deductions in Table I.  TAX CREDIT  Credit for dividends received from Canadian corporations equal to 45% of the fed credit.  1967  RATES  5.5% on first \$1,000 of taxable income \$ 55 on \$ 1,000 plus 7.0% on next \$ 1,000 125 " 2,000 " 8.5% " " 1,000	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  1970  RATES  Same as 1968 except for the imposition of a health insurance tax, at the rate of of 1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or otherwise), effective November 1, 1970.
Dependant child under 16 years of age	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  1970  RATES  Same as 1968 except for the imposition of a health insurance tax, at the rate of of 1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or otherwise), effective November 1, 1970.  EXEMPTIONS AND DEDUCTIONS
Dependant child under 16 years of age.  Other dependants.  Taxpayers aged 65 years of age or over.  Other deductions: Similar to federal income tax deductions in Table I.  TAX CREDIT  Credit for dividends received from Canadian corporations equal to 45% of the fed credit.  1967  RATES  5.5% on first \$1,000 of taxable income \$ 55 on \$ 1,000 plus 7.0% on next \$ 1,000   125 " 2,000 " 8.5% " 1,000   210 " 3,000 " 9.5% " 1,000   305 " 4,000 " 11.0% " 2,000	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  1970  RATES  Same as 1968 except for the imposition of a health insurance tax, at the rate of of 1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or otherwise), effective November 1, 1970.  EXEMPTIONS AND DEDUCTIONS
Dependant child under 16 years of age.  Other dependants.  Taxpayers aged 65 years of age or over.  Other deductions: Similar to federal income tax deductions in Table I.  TAX CREDIT  Credit for dividends received from Canadian corporations equal to 45% of the fed credit.  1967  RATES  5.5% on first \$1,000 of taxable income \$ 55 on \$ 1,000 plus 7.0% on next \$ 1,000   125 " 2,000 " 8.5% " 1,000   210 " 3,000 " 9.5% " 1,000   305 " 4,000 " 11.0% " 2,000   525 " 6,000 " 13.5% " 2,000	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  1970  RATES  Same as 1968 except for the imposition of a health insurance tax, at the rate of of 1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or otherwise), effective November 1, 1970.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.
Dependant child under 16 years of age.  Other dependants.  Taxpayers aged 65 years of age or over.  Other deductions: Similar to federal income tax deductions in Table I.  TAX CREDIT  Credit for dividends received from Canadian corporations equal to 45% of the fed credit.  1967  RATES  5.5% on first \$1,000 of taxable income  \$ 55 on \$ 1,000 plus 7.0% on next \$ 1,000   125 " 2,000 " 8.5% " 1,000   210 " 3,000 " 9.5% " 1,000   305 " 4,000 " 11.0% " 2,000   525 " 6,000 " 13.5% " 2,000   785 " 8.000 " 15.0% " 2,000	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  1970  RATES  Same as 1968 except for the imposition of a health insurance tax, at the rate of of 1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or otherwise), effective November 1, 1970.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT
Dependant child under 16 years of age.  Other dependants	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  1970  RATES  Same as 1968 except for the imposition of a health insurance tax, at the rate of of 1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or otherwise), effective November 1, 1970.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.
Dependant child under 16 years of age.  Other dependants.  Faxpayers aged 65 years of age or over.  Other deductions: Similar to federal income tax deductions in Table I.  TAX CREDIT  Credit for dividends received from Canadian corporations equal to 45% of the fed credit.  1967  RATES  5.5% on first \$1,000 of taxable income  \$ 55 on \$ 1,000 plus 7.0% on next \$ 1,000   125 " 2,000 " 8.5% " 1,000   210 " 3,000 " 9.5% " 1,000   305 " 4,000 " 11.0% " 2,000   525 " 6,000 " 13.5% " 2,000   785 " 8.000 " 15.0% " 2,000	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  1970  RATES  Same as 1968 except for the imposition of a health insurance tax, at the rate of of 1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or otherwise), effective November 1, 1970.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT
Dependant child under 16 years of age.  Other dependants	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  1970  RATES  Same as 1968 except for the imposition of a health insurance tax, at the rate of of 1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or otherwise), effective November 1, 1970.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.
Dependant child under 16 years of age.  Other dependants	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  1970  RATES  Same as 1968 except for the imposition of a health insurance tax, at the rate of of 1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or otherwise), effective November 1, 1970.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  1971  RATES
Dependant child under 16 years of age.  Other dependants.  Taxpayers aged 65 years of age or over.  Other deductions: Similar to federal income tax deductions in Table I.  TAX CREDIT  Credit for dividends received from Canadian corporations equal to 45% of the fed credit.  1967  RATES  5.5% on first \$1,000 of taxable income  \$ 55 on \$ 1,000 plus 7.0% on next \$ 1,000 125 " 2,000 " 8.5% " 1,000 210 " 3,000 " 9.5% " 1,000 210 " 3,000 " 9.5% " 1,000 305 " 4,000 " 11.0% " 2,000 525 " 6,000 " 13.5% " 2,000 525 " 6,000 " 15.0% " 2,000 1.085 " 10,000 " 17.5% " 2,000 1.085 " 10,000 " 17.5% " 2,000 1.435 " 12,000 " 20.0% " 3,000 2.035 " 15,000 " 22.5% " 10,000 4.285 " 25 000 " 25.0% " 15,000 8.035 " 40,000 " 27.5% " 20,000 13.535 " 60,000 " 30.0% " 30,000	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  RATES  Same as 1968 except for the imposition of a health insurance tax, at the rate of of 1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or otherwise), effective November 1, 1970.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.
Dependant child under 16 years of age.  Other dependants	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  1970  RATES  Same as 1968 except for the imposition of a health insurance tax, at the rate of of 1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or otherwise), effective November 1, 1970.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  1971  RATES
Dependant child under 16 years of age.  Other dependants.  Faxpayers aged 65 years of age or over.  Other deductions: Similar to federal income tax deductions in Table I.  TAX CREDIT  Credit for dividends received from Canadian corporations equal to 45% of the fed credit.  1967  RATES  5.5% on first \$1,000 of taxable income \$ 55 on \$ 1,000 plus 7.0% on next \$ 1,000 125 " 2,000 " 8.5% " 1,000 210 " 3,000 " 9.5% " 1,000 305 " 4,000 " 11.0% " 2,000 525 " 6,000 " 13.5% " 2,000 785 " 8,000 " 15.0% " 2,000 1.085 " 10,000 " 17.5% " 2,000 1.085 " 10,000 " 17.5% " 2,000 1.435 " 12,000 " 20.0% " 3,000 2.035 " 15,000 " 22.5% " 10,000 4.285 " 25 000 " 25.0% " 15,000 8,035 " 40,000 " 27.5% " 20,000 13.535 " 60,000 " 30.0% " 30,000 22.535 " 90,000 " 32.5% " 35,000 33.910 " 125.000 " 35.0% " 100,000	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  1970  RATES  Same as 1968 except for the imposition of a health insurance tax, at the rate of of 1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or otherwise), effective November 1, 1970.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  1971  RATES  Same as November 1, 1970.
Dependant child under 16 years of age.  Other dependants.  Taxpayers aged 65 years of age or over.  Other deductions: Similar to federal income tax deductions in Table I.  TAX CREDIT  Credit for dividends received from Canadian corporations equal to 45% of the fed credit.  1967  RATES  5.5% on first \$1,000 of taxable income  \$ 55 on \$ 1,000 plus 7.0% on next \$ 1,000   125 " 2,000 " 8.5% " " 1,000   210 " 3,000 " 9.5% " " 1,000   305 " 4,000 " 11.0% " 2,000   525 " 6,000 " 13.5% " 2,000   785 " 8,000 " 15.0% " 2,000   1.085 " 10,000 " 17.5% " 2,000   1.085 " 10,000 " 22.5% " 10,000   2.035 " 15,000 " 22.5% " 10,000   4.285 " 25 000 " 25.0% " 15,000   8.035 " 40,000 " 27.5% " 20,000   13.535 " 60,000 " 30.0% " 30,000   22.535 " 90,000 " 32.5% " 35,000   33.910 " 125.000 " 35.0% " 175.000	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1968 except for the imposition of a health insurance tax, at the rate of of 1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or otherwise), effective November 1, 1970.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  1971  RATES  Same as November 1, 1970.  EXEMPTIONS AND DEDUCTIONS
Dependant child under 16 years of age	Same as 1968.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1968 except for the imposition of a health insurance tax, at the rate of of 1% of net income (maximum: \$125 if at least 3/4 of net income is salary, or otherwise), effective November 1, 1970.  EXEMPTIONS AND DEDUCTIONS  Same as at July 1, 1967.  TAX CREDIT  Same as 1967.  1971  RATES  Same as November 1, 1970.  EXEMPTIONS AND DEDUCTIONS

# TABLE II. Personal Income Taxes Levied by the Province of Quebec, 1966 to 1976 - Concluded

1974
+
RATES
e Same as 1972.
EXEMPTIONS
Interest income
Tax payer aged 65 years of age or over
Low income:
No tax is payable if income does not exceed \$2,600 if single or \$5,200 if married Single and married taxpayers whose income is between \$2,600 and \$2,850 a
\$5,200 and \$5,785 respectively, are to pay taxes no higher than 50% of the diffeence between their net income and the amount of their exemptions.
All other exemptions remain unchanged from 1972.
TAX CREDIT
Same 1072
Same as 1972.
1975
RATES
0% on first \$2,000 of taxable income
\$ 0 on \$ 2,000 plus 16% on next \$ 7,000
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
2.080 " 14.000 " 220 " " 10.000
4,280 " 24,000 " 24% " " 15,000
7,880 " 39,000 " 26% " " 21,000
13,340 " 60,000 " 28% " excess
EXEMPTIONS
Married taypayar
Married taxpayer
Single taxpayer
Employment expense. 500 Interest and dividend income 1,000
Low income:
The former tax relief provided to single and married taxpavers is abandoned since the
new income tax measures exempt from taxation a total income of \$3,931 for a single taxpayer and of \$5,957 for a married taxpayer.  All other exemptions remainded unchanged from 1972.
Toma 1972.
TAX CREDIT
Same as 1972.
4
1976
1770
RATES
Health insurance tax:  1.5% of net income (maximum: \$235 if at least 3/4 of net income is salary, or \$375
otherwise).
EXEMPTIONS
Same as 1975.
Sume as 1775.
J
TAX CREDIT

TABLE III. Personal Income Taxes Levied by the Provinces Other than Quebec, 1966 to 1976

-	Province	1966	1967	1968	1969	1970
No.						
	n e live	24%	28%	Same as 1967	33%	Same as 1969
-	Newfoundland	24%	28%	Same as 1967	Same as 1967	Same as 1967
_	Prince Edward Island	24%	28%	Same as 1967	Same as 1967	Same as 1967
	Nova Scotia	24%	28%	Same as 1967	38% (Effective April 1)	Same as April 1, 1969
	New Brunswick	24%	28%	Same as 1967	Same as 1967	Same as 1967
5	Ontario		33%	Same as 1967	Same as 1967	39%
6	Manitoba	29%			Same as 1967	34%
7	Saskatchewan	29%	33%	Same as 1967		
8	Alberta	24%	28%	Same as 1967	(Effective July 1)	Same as July 1, 1969
	British Columbia	24%	28%	Same as 1967	Same as 1967	Same as 1967

TABLE IV. Federal and Provincial Corporation Income Taxes, 1966 to 1976

NI	Government	1966	1967	1968	1969	1970
No.	la <sup>1</sup>	All income other than dividend income:  18% on first \$35,000 of taxable income.  47% on taxable income in excess of \$35,000.  Plus 3% old age security tax on all taxable income.  Dividend income.  Exempt.	Same as 1966.	Same as 1966 except for imposition of 3% surtax on tax other than old age security tax.	Same as 1968.	Same as 1968.
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1						

TABLE III. Personal Income Taxes Levied by the Provinces Other than Quebec, 1966 to 1976

1971	1972	1973	1974	1975	1976	No.
Same as 1969 33% (Effective July 1)	36.0 % 36.0 %	Same as 1972 Same as 1972	40.0% (Effective July 1) Same as 1972	Same as 1974 Same as 1972	42% (Effective July 1) Same as 1972	1 2
Same as 1967  Same as April 1, 1969  27.5%	38.5 % 41.5 % 29.585%	Same as 1972 Same as 1972 30.5%	Same as 1972 Same as 1972 Same as 1973	Same as 1972  Same as 1972  Same as 1973	Same as 1972 40.6% Same as 1973	3 4
Same as 1970 Same as 1970	42.5 % 37.0 %	Same as 1972 40.0%	Same as 1972 Same as 1973	Same as 1972 Same as 1973	Same as 1973  Same as 1973	6
Same as July 1, 1969 Same as 1967	36.0 % 30.5 %	Same as 1972 Same as 1972	Same as 1972 Same as 1972	26% Same as 1972	Same as 1975 32.5% (Effective July 1)	8

TABLE IV. Federal and Provincial Corporation Income Taxes, 1966 to 1976

1971	1972	1973	1974	1975	1976
til July 1. fective July repeal of Surtax d reduction 7% of	Deductions: Charitable donations up to 20% of income.	General rate: 49%.  Deductions: Same as 1972.	General rate: 48%. Resource production profit: 50%.  Deductions: Same as 1972.	General rate: 47%. Resource production profit: 50%.  Deductions: Same as 1972.	General rate: 46%. Resource production profit: no longer applicable.  Deductions: Same as 1972.
otherwise vable. Val- vable. V	vincial governments.	Tax reductions and credits: Same as 1972 except for the following: The reduction for Canadian-controlled private corporation is lowered to 24%. Introduction of a 9% reduction on manufacturing and processing profits.  Special rules: Same as 1972.	Tax reductions and credits: Same as 1973 except for the following: The reduction for Canadian-controlled private corporation is lowered to 23% on the first \$100,000 of active business income per year to the overall limit of \$500,000.  The reduction on manufacturing and processing profits is lowered to 8%. Introduction of a 15% reduction for mineral production profits. Introduction of a 12% reduction for oil and gas production profits. Introduction of a political contributions tax credit. The 7% reduction of tax payable is repealed for 1974 and following years.  Special rules: Same as 1972.  Surtax: A surtax of 10% on corporate profits earned from May 1, 1974 to April 30, 1975 (does not apply to investment, mutual fund, non-resident-owned investment corporations or investment income of private corporations, manufacturing, processing petroleum or mining profits and Canadian-controlled private companies).	Tax reductions and credits:  Same as 1974 except for the following: The reduction for Canadian-controlled private corporation is lowered to 22%. The reduction on manufacturing and processing profits is lowered to 7%.  A 5% investment tax credit is applicable to new buildings, machinery and equipment acquired between June 24, 1975 to July 1, 1977.  Special rules: Same as 1972.  Surtax: The surtax of 10% on corporate profit is in effect till April 30, 1975.	Tax reductions and credits:  Same as 1975 except for the following: The reduction for Canadian-controlled private corporation is lowered to 21% on first \$150,000 (overall limit \$750,000). The reduction on manufacturing and processing profits is lowered to 6%. The 15% reduction for mineral production is no longer applicable. The 12% reduction for oil and gas production profits is no longer applicable.  Special rules: Same as 1972.  Surtax: No longer applicable.

TABLE IV. Federal and Provincial Corporation Income Taxes, 1966 to 1976 - Concluded

	TABLE 17. Teachin and 170 mean corp.							
No.	Government	1966	1967	1968	1969	1970		
	Newfoundland	9% on same base as federal income tax	11%	12%	13%	Same as 1969		
3	Prince Edward Island	9% on same base as federal income tax	10%	Same as 1967	Same as 1967	Same as 1967		
4	Nova Scotia	9% on same base as federal income tax	10%	Same as 1967	Same as 1967	Same as 1967		
5	New Brunswick	9% on same base as federal income tax	10%	Same as 1967	Same as 1967	Same as 1967		
6	Quebec	12% on base very similar to federal income tax	Same as 1966	Same as 1966	Same as 1966	Same as 1966		
7	Ontario	11% on base very similar to federal income tax	Same as 1966	12%	Same as 1968	Same as 1968		
8	Manitoba	10% on same base as federal income tax	11%	Same as 1967	Same as 1967	1.3%		
9	Saskatchewan	10% on same base as federal income tax	11%	Same as 1967	Same as 1967	Same as 1967		
10	Alberta	9% on same base as federal income tax	10%	Same as 1967	11%	Same as 1969		
11	British Columbia	9% on same base as federal income tax	10%	Same as 1967	Same as 1967	Same as 1967		

<sup>1</sup> Under the Federal-Provincial Fiscal Arrangements, the federal corporations income tax was, until 1967, abated by an amount equal to 9% of corporation taxable income in all provinces other than Quebec and by an amount equal to 10% of corporation taxable income in Quebec. In 1967, the abatement became a uniform 10% of corporation taxable income in all provinces.

TABLE V. Federal and Provincial General Sales Taxes, 1966 to 1976

No.		1966	1967	1968	1969	1970
	RATES					
	1.Federal sales tax (imposed on manufacturer's selling price of domestic products and duty paid value of imported goods):			!		
1	General rate	11%	12% (Effective January 1)	Same as 1967	Same as 1967	Same as 1967
2	Special rates	Articles manufactured by handicapped: 5 1/2%.	Articles manufactured by handicapped: 6%. (Effective January 1)	Same as 1967	Same as 1967	Same as 1967
			Building materials and heating equipment:	Same as 1967	Same as 1967	Same as 1967
			Production machinery: 11% to March 31; 6% from April 1 to June 2; exempt effective June 2.			

TABLE IV. Federal and Provincial Corporation Income Taxes, 1966 to 1976 - Concluded

1971	1972	1973	1974	1975	1976	No.
Same as 1969	Same as 1969	Same as 1969	Same as 1969	Same as 1969	14%	2
Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	3
Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	12%	4
Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	5
Same as 1966 <sup>2</sup>	Same as 1966	Same as 1966	Same as 1966	Same as 1966	Same as 1966	6
Same as 1968 <sup>3</sup>	Same as 1968	Same as 1968	Same as 19684	Same as 1968	Same as 1968	1 7
Same as 1970	Same as 1970	Same as 1970	Same as 1970	Same as 1970	15%	8
Same as 1967	Same as 1967	12%	Same as 1973	Same as 1973	Same as 1973	9
Same as 1969	Same as 1969	Same as 1969	Same as 1969	Same as 1969	Same as 1969	10
Same as 1967	Same as 1967	12%	Same as 1973	13%	15%	111

Corporations investing during the period April 1, 1971, to March 31, 1977, more than \$150,000 of their profits in designated areas in new technological processes or in the production of goods not yet produced in Quebec can benefit from tax credits ranging from 30% to 100% of the amounts invested.
 3 Credit granted against corporations income tax, equal to 5% of eligible investment in machinery and equipment purchased and used in Ontario during the period April 26, 1971, and March 31, 1973. Deduction from income of the interest paid on money borrowed to purchase shares in other corporations during corporation fiscal years ended after April 26, 1971.
 4 Credit granted to privately controlled Canadian corporations which qualify for the federal small business deduction equal to 5% of the annual increase in paid-up capital or 50% of taxable income up to a maximum of \$3,000 whichever is the lesser effective April 9.

TABLE V. Federal and Provincial General Sales Taxes, 1966 to 1976

TABLE V. Federal and Frovincial General Sales Taxes, 1960 to 1976								
1971	1972	1973	1974	1975	1976	No.		
	f							
Same as 1967	!	10/7			1000			
Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	Same as 1967	1		
	Articles manufactured		1		1	2		
Same as 1967	by handicapped exempted. (Effective May 9)	Same as 1972	Same as 1972	Same as 1972	Same as 1972			
			Construction materials					
Same as 1967	Same as 1967	Same as 1967	and equipment for buildings: 5%. (Effective November 19)	Same as 1974	Same as 1974			
					-			
			1		J.			

TABLE V. Federal and Provincial General Sales Taxes, 1966 to 1976 - Concluded

		DEE V. I ederar und					
No.		1966	1967	1968	1969	1970	1971
	. Provincial sales taxes (imposed on retail						
7	price): (1) Newfoundland	5 %	6% (effective April 1)	7% (effective April 1)	Same as April 1, 1968	Same as April 1, 1968	Same as April 1, 1961
8	(2) Prince Edward Island	5%	Same as 1966	Same as 1966	7% (effective April 15)	Same as April 15, 1969	8% (effective March 19)
9	(3) Nova Scotia	5%	Same as 1966	Same as 1966	7% (effective April 4)	Same as April 4, 1969	Same as April 4, 196!
10	(4) New Brunswick	3%	6% (effective January 1)	Same as January 1, 1967	8% (effective April 1)	Same as April 1, 1969	Same as April 1, 196
11	(5) Quebec	6%	8% (effective March 17)	Same as March 17, 1967	Same as March 17, 1967	Same as March 17, 1967	Same as March 17, 190
12	(6) Ontario: (a) General	5% (effective April 1)	Same as April 1, 1966	Same as April 1, 1966	Same as April 1, 1966	Same as April 1, 1966	Same as April 1, 196
13	(b) Meals and alcoholic beverages	5% (effective April 1)	Same as April 1, 1966	Same as April 1, 1966	10% (effective April 1)	Same as April 1, 1969	Same as April 1, 196
14	(7) Manitoba: (a) General		5% (effective June 1)	Same as June 1, 1967	Same as June 1, 1967	Same as June 1, 1967	Same as June 1, 196
15	(b) Spirits, wines and imported beer		5% (effective June 1)	Same as June 1, 1967	Same as June 1, 1967	Same as June 1, 1967	Same as June 1, 196
16	(8) Saskatchewan	4%	Same as 1966	5% (effective March 2)	Same as March 2, 1968	Same as March 2, 1968	Same as March 2, 196
17	(9) British Columbia	5 %	Same as 1966	Same as 1966	Same as 1966	Same as 1966	Same as 196
	CHANGES IN EXEMPTIONS	1				1 1 1	Prince Edwar
18	(Unless otherwise specified, the following are new exemptions.)	British Columbia: Candy; soft drinks; papers sold over the counter and by subscription; classroom sup- plies.	Federal sales tax:  Drugs and medicines; some or thopaedic appliances; production machinery.  Manitoba:  Introduction of general sales tax.	Saskatchewan: Former exemption for all meals re- stricted to meals under \$2.	Ontario:  Meals under \$2.51. Repeal of exemption for industrial machinery.	Saskatchewan: Electricity used for heating. Repeal of exemption for meals under \$2.	Island: Railway ro stock; comme vessels. New Brunswick: Building materia
19	TAX ON SERVICES	Ontario: Telephone services and telecommunications.		New Brunswick: Hotel and motel accommodations; telecommunications. Saskatchewan: Hotel and motel accommodations; telephone serices; telecommunications.	accommodations; telephone serv- ices; telecommu- nications; repairs; laundry and dry- cleaning. New Brunswick:		British Columbi: Hotel and mo commodation

	TABLE V. Federal and Provincial General Sales Taxes, 1966 to 1976 - Concluded									
1972	1973	1974	1975	1976	1					
Same as April 1, 1968  Same as March 19, 1971  Same as April 4, 1969  Same as April 1, 1969  Same as April 1, 1966  Same as April 1, 1966  Same as April 1, 1969  Same as April 1, 1967  10% (effective June 1)  Same as March 2, 1968  Same as 1966	Same as April 1, 1968  Same as March 19, 1971  Same as April 4, 1969  Same as April 1, 1969  Same as March 17, 1967  7% (effective May 1)  Same as April 1, 1969  Same as April 1, 1969  Same as April 1, 1969  Same as April 2, 1967  Same as June 1, 1972  Same as March 2, 1968  Same as 1966	8% (effective April 10)  Same as March 19, 1971  Same as April 4, 1969  Same as April 1, 1969  Same as March 17, 1967  Same as May 1, 1973  Same as April 1, 1969  Same as June 1, 1967  Same as June 1, 1967  Same as June 1, 1967	Same as April 10, 1974  Same as March 19, 1971  Same as April 4, 1969  Same as April 1, 1969  Same as March 17, 1967  5% (effective April 8).  Same as April 1, 1969  Same as June 1, 1967  Same as June 1, 1967  Same as June 1, 1967	10% (effective November 24)  Same as March 19, 1971  8% (effective March 20)  Same as April 1, 1969  Same as March 17, 1967  7% (effective January 1)  Same as April 1, 1969  Same as June 1, 1967  Same as June 1, 1967  Same as June 1, 1967	7 8 9 10 11 12 13 14 15 16 17					
lewfoundland: Children's clothing luebec: Industrial production equipment. Intario: Repeal of exemption for draught beer, which becomes taxable as in (b). Ianitoba: Safety clothing. Increase of rate from 5% to 10% on spirits, wines and imported beer. Repeal of exemptions for production machinery and vessels over 200 tons gross. sskatchewan: Meals under \$2.51.	Confectioneries, chocolate bars, soft drinks, fruit drinks and similar near food products; children's clothing, shoes and other footwear.  Nova Scotia:  Larger sizes of children's clothing and footwear; all merchandise, except automotive equipment and parts, sold to Indians on reservations for their own use.  Quebec:  Exemption for meals under \$1.25 raised to \$1.50. Small sale exemption raised from \$0.10 to \$0.15.  Ontario:  Exemption for meals increased from \$2.50 to \$4. Seeds, bulbs, natural flowers, etc., household pets.  Saskatchewan:  Repeal of the exemption on railway rolling stocks, ties and steel rails.	Clothing and footwear.  Newfoundland: Domestic fuel and heating oil.  Prince Edward Island: Goods and materials used in making clothing; soap and cleaning supplies, and articles traded in against purchases. Small sale exemption raised from \$0.11 to \$0.16. Prepared meals of less than \$2.01 exempted. Refund of sales tax to newlyweds for up to \$1,000 purchases of furniture and other household supplies within the first year of marriage. Books and other printed material of informational or literary value.  New Brunswick: Clothing and footwear, microfilm purchases by libraries (containing information equivalent to a book ordinarily exempted), and purchases made by Status Indians off the reservation for delivery on the reservation. Prepared meals of less than\$2.01 exempted.  Ontario:  Personal hygiene items, e.g., toothpaste, baby powder, soap, detergents, etc., and footwear of \$30 or less.  Manitoba:  Exemption for prepared meals raised to \$2.99 from \$1.99. Purchases (except motor cars) made by Status Indians.  British Columbia:  Books and second-hand clothing.	Federal sales tax:  Insulation material.  Prince Edward Island: Small sales exemption raised from \$0.16 to \$0.26.  Nova Scotia:  Anti-pollution equipment and devices purchased by manufacturers, producers and processors or other designated persons.  New Brunswick: Laundry and drycleaning services.  Quebec: Exemption for meals under \$1.49 raised to \$2. Small purchases exemption increased from \$0.15 to \$0.25. Industrial machinery exemption extended to March 31, 1977.  Ontario:  Machinery and equipment for production and/or construction purposes exempt to December 31, 1977.  Saskatchewan: Restaurant meals; books and other reading materials.	Certain energy-saving equipment such as solar furnaces and wind-powered generating equipment.  Newfoundland: Clothing small sales exemptions raised to \$0.20 from \$0.08.  Prince Edward Island: Insulating materials and certain alternate energy sources.  Quebee: Production equipment bought or rented for the production of moveable property for resale. Conditional materials if they are used directly in this production of moveable property for resale.  Ontario: Purchases of insulation materials used in existing houses. Prepared meals of less than \$5 exempted.  Manitoba: Repeal of the exemption on railway rolling stock.	18					
wa Scotia: lotel and motel accommodations.					14					

TABLE VI. Provincial Taxes on Motive Fuels and Tobacco Products, 1966 to 1976

	TABLE VI. Provincial Taxes on Motive Fuels and Tobacco Products, 1966 to 1976							
Ma	Province	1966	1967	1968	1969	1970		
No.								
	Newfoundland:							
1	Motive fuel	\$0.19 per gallon	\$0.20 per gallon (effective April 1)	\$0.25 per gallon (effective April 1)	Same as April 1, 1968	Same as April 1, 1968		
2	Cigarettes	1/4 of \$0.01 each \$0.01 to \$0.05 each	Same as 1966	1/2 of \$0.01 each \$0.02 to \$0.10 each	Same as	Same as		
4	Tobacco	\$0.01 per 1/2 oz. unit	J	\$0.02 per 1/2 oz. unit (effective April 1)	April 1, 1968	April 1, 1968		
	Prince Edward Island:							
5	Gasoline	\$0.18 per gallon	Same as 1966	\$0.21 per gallon	Same as	Same as March 20, 1968		
6	Diesel fuel	\$0.18 per gallon	Same as 1966	(effective March 20) \$0.21 per gallon	March 20, 1968 Same as	Same as		
7	Cigarettes	1/5 of \$0.01 each	1	(effective March 20) ( 2/5 of \$0.01 each	March 20, 1968	March 20, 1968		
8		\$0.01 to \$0.03 each	Same as 1966	\$0.01 per \$0.05	Same as March 20, 1968	Same as March 20, 1968		
9	Other tobacco	10%	J	20% (effective March 20)				
10	Nova Scotia:	\$0.19 per gallon	Same as 1966	Same as 1966	\$0.21 per gallon	Same as		
		\$0.27 per gallon	Same as 1966	Same as 1966	(effective April 4) Same as 1966	April 4, 1969 Same as 1966		
11 12	Diesel fuel	Nil	Nil	Nil	Nil	Nil		
13	Cigarettes	1/10 of \$0.01 each	]		4/10 of \$0.01 each	Same as		
14	Other tobacco products	5%	Same as 1966	Same as 1966	10% (effective April 4)	April 4, 1969		
	New Brunswick:							
15	Gasoline	\$0.18 per gallon	Same as 1966	\$0.19 per gallon	\$0.20 per gallon	Same as April 1, 1969		
16	Diesel fuel	\$0.23 per gallon	Same as 1966	(effective April 1) Same as 1966	(effective April 1) Same as 1966	Same as 1966 Nil		
17	Aviation fuel	Nil	Nil	Nil	Nil	MII		
18 19	Cigarettes	1/5 of \$0.01 each \$0.01 to \$0.03 each	Same as 1966	Same as 1966	2/5 of \$0.01 each \$0.01 for each \$0.05	Same as		
20	Other tobacco products	10%	)		\$0.04 per oz. (effective April 1)	April 1, 1969		
21	Quebec:	\$0.16 per gallon	12	\$0.19 per gallon	1			
22 23	Diesel fuel	\$0.22 per gallon \$0.02	Same as 1966 \$0.02	\$0.25 per gallon \$0.03 per gallon	Same as March 28, 1968	Same as March 28, 1968		
24		6/25 of \$0.01 each	]	(effective March 28) 2/5 of \$0.01 each				
25 26		12% (when over \$0.05) 12%	Same as 1966	20% (when over \$0.10) 20%	Same as March 28, 1968	Same as March 28, 1968		
			1	(effective March 28)				
	Ontario:							
27 28		\$0.16 per gallon \$0.22 per gallon	Same as	\$0.18 per gallon \$0.24 per gallon	Same as	Same as		
29	Aviation fuel	(effective April 1) \$0.02	April 1, 1966 \$0.02	\$0.03 per gallon	March 13, 1968	March 13, 1968		
30	Cigarettes	1/20 of \$0.01 each to April 1; 1/10 of \$0.01		(effective March 13) 3/10 of \$0.01 each	2/5 of \$0.01 each			
31		from April 1 1/5 of \$0.01 per \$0.05	Same as April 1, 1966	1/2 of \$0.01 per \$0.05 \$0.025 per oz.	1/2 of \$0.01 per \$0.05 \$0.025 per oz.	Same as March 5, 1969		
32	Z Tobacco	\$0.01 per oz. to April 1; \$0.01 - \$0.02 per oz. from April 1		(effective March 13)	(effective March 5)	J		

Note: The taxes on motives fuels do not apply in all instances. Generally speaking all provinces provide either complete or partial exemptions for motive fuels used in farm operations. Similarly, several provinces provide either complete or partial exemptions for motive fuels used in commercial fisheries. See Table 5 B "Other Consumption Taxes Lev by Provincial Governments" for a description of these exemptions.

TABLE VI. Taxes on Motive Fuels and Tobacco Products, 1966 to 1976.

	TAI	BLE VI. Taxes on Motive 1	Fuels and Tobacco Produc	ts, 1966 to 1976		
1971	1972	1973	1974	1975	1976	No.
Same as April 1, 1968 Same as April 1, 1968	Same as April 1, 1968 \$0.01 each \$0.04 to \$0.20 each \$0.04 per 1/2 oz. unit (effective June 1)	Same as April 1, 1968  Same as June 1, 1972	Same as April 1, 1968 Same as June 1, 1972	Same as April 1, 1968  Same as June 1, 1972 \$0.02 to \$0.20 each Same as June 1, 1972	\$0.27 per gallon (effective March 26) Same as June 1, 1972 Same as 1975 Same as June 1, 1972	1 2 3 4
Same as March 20, 1968 Same as March 20, 1968	Same as March 20, 1968 \$0.25 per gallon (effective April 19, 1972)	Same as March 20, 1968 Same as April 19, 1972	Same as March 20, 1968  Same as April 19, 1972	Same as March 20, 1968  Same as April 19, 1972  4/5 of \$0.01 each	Same as March 20, 1968   Same as April 19, 1972   Same as May 13, 1975	5 6
Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	Same as March 20, 1968	(effective May 13, 1975) Same as March 20, 1968 \$0.03 per 1/2 oz. unit (effective May 13, 1975)	\$0.01 to \$0.07 each Same as May 13, 1975	8 9
Same as April 4, 1969 Same as 1966	Same as April 4, 1969 Same as 1966	Same as April 4, 1969  Same as 1966	Same as April 4, 1969  Same as 1966	Same as April 4, 1969 Same as 1966	Same as April 4, 1969  Same as 1966	10
\$0.03 per gallon effective August 1) Same as April 4, 1969	Same as August 1, 1971 Same as April 4, 1969	Same as August 1, 1971  Same as April 4, 1969	Same as August 1, 1971  Same as April 4, 1969	Same as August 1, 1971 Same as April 4, 1969	Same as August 1, 1971  1/2 of \$0.01 each (effective March 20, 1976) Same as April 4, 1969	12
Same as April 1, 1969 Same as 1966 \$0.03 per gallon (effective May 15)	Same as April 1, 1969 Same as 1966 Same as May 15, 1971	Same as April 1, 1969  Same as 1966  Same as May 15, 1971	Same as April 1, 1969  Same as 1966  Same as May 15, 1971	Same as April 1, 1969  Same as 1966 Same as May 15, 1971	Same as April 1, 1969  Same as 1966 Same as May 15, 1971	15
Same as April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	Same as April 1, 1969	18 19 20
Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	\begin{cases} 21 \\ 22 \\ 23 \end{cases}
Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	Same as March 28, 1968	4/5 of \$0.01 each 25% (when over \$0.10) 25% (effective May 12)	24 25 26
Same as March 13, 1968	\$0.19 per gallon \$0.25 per gallon (effective March 29) Same as March 13, 1968	Same as March 29, 1972 Same as March 13, 1968	Same as March 29, 1972  Same as March 13, 1968	Same as March 29, 1972  Same as March 13, 1968	Same as March 29, 1972 Same as March 13, 1968	\$27 28 29
Same as March 5, 1969	0.46 of \$0.01 each \$0.01 per \$0.05	Same as March 29, 1972	Same as March 29, 1972	Same as March 29, 1972		1 30 231 32
	\$0.025 per 1/2 oz. (effective March 29)					

TABLE VI. Provincial Taxes on Motive Fuels and Tobacco Products, 1966 to 1976 - Concluded

	Province	1966	1967	1968	1969	1970
No.						
	Manitoba:	¢0.17				
1	Gasoline	\$0.17 per gallon \$0.20 per gallon	Same as 1966	Same as 1966	Same as 1966	Same as 1966
3	Motive fuel	\$0.02 per gallon	Same as 1900			
)	Aviation ruci	ψ0,02 per genera				
4	Cigarettes	2/5 of \$0.01 each	)			
5	Cigars	\$0.01 to \$0.10 each	Same as 1966	Same as 1966	Same as 1966	Same as 1966
6	Manufactured tobacco	\$0.02 per 1/2 oz.	J 			
l	Saskatchewan:					
7	Gasoline	\$0.15 per gallon	Same as	\$0.17 per gallon	Same as	\$0.19 per gallon
8	Diesel fuel	\$0.18 per gallon	March 15, 1966	\$0.20 per gallon	March 1, 1968	\$0.21 per gallon
		(effective March 15)	)	(effective March 1)		60.0411
9	Aviation fuel	Nil	Nil	\$0.02 per gallon	Same as April 2, 1968	\$0.04 per gallon (effective March 3)
		1/5 - 6 00 01 and	1/5 of \$0.01 each	(effective April 2) 8/25 of \$0.01 and	April 2, 1906	(crective march 5)
10	Cigarettes	1/5 of \$0.01 each	1/3 01 \$0.01 cacii	9/25 of \$0.01 each		1
11	Cigars	\$0.01 to \$0.05 each	\$0.01 to \$0.05 each	\$0.01 to \$0.10 each	Same as	Same as
X X	Cigaro				March 1, 1968	March 1, 1968
12	Manufactured tobacco	\$0.01 per oz.	\$0.01 per 1/2 oz.	\$0.02 per 1/2 oz.		
				(effective March 1)		
	Alberta:		!	1		
13	Gasoline	\$0.12 per gallon	1000	\$0.15 per gallon		
14	Diesel fuel	\$0.14 per gallon	Same as 1966	\$0.17 per gallon	Same as	Same as
15	Aviation fuel	Nil	Nil	\$0.03 per gallon	June 1, 1968	June 1, 1968
				(effective June 1)	0/07 - 500 01 1	
16	Cigarettes	Nil	Nil	Nil Nil	8/25 of \$0.01 each \$0.01 to \$0.09 each	Same as
17 18	Cigars	Nil Nil	Nil Nil	Nil	\$0.64 per lb.	June 30, 1969
18	Tobacco.,	MII	1411	1411	(effective June 30)	
				1		
	British Columbia:					
19	Gasoline	\$0.13 per gallon \$0.15 per gallon	Same as 1966	Same as 1966	Same as 1966	Same as 1966
20	Motive fuel	\$0.13 per gallon	Same as 1900	Same as 1700	Banic as 1700	
20 1	1 11 11 11 11 11 11 11 11 11 11 11 11 1	dotor ber Parion				
22	Cigarettes	Nil	Nil	Nil	Nil	Nil
23	Cigars	Nil	Nil	Nil	Nil	Nil
24	Other tobacco products	Nil	Nil	Nil	Nil	Nil
	Yukon:					
25	Gasoline	\$0.09 per gallon	Same as 1966	\$0.11 per gallon	Same as	Same as
26	Diesel fuel	\$0.09 per gallon	5	(effective January 23)	January 23, 1968	January 23, 1968
27	Aviation fuel	Nil	Nil	Nil	Nil	Nil
28 29	Cigarettes	Nil	Nil	Nil	Nil Nil	Nil Nil
30	Cigars	Nil Nil	Nil Nil	Nil Nil	Nil	Nil
.50	7.00000	7411	1411	1411	A V 2A	
	Northwest Territories:					
31	Cigarettes	Nil	Nil	Nil	Nil	Nil
32	Cigars	Nil	Nil	Nil	Nil	Nil
33	Gasoline	\$0.09 per gallon	\$0.10 per gallon	\$0.11 per gallon	\$0.12 per gallon	Same as 1969
00		vo.or per gamon	wo.10 per ganon	(effective April 1)	φυ.12 per ganon	Ourill to 1777
34	Diesel fuel	\$0.04 per gallon	\$0.06 per gallon	\$0.08 per gallon	\$0.10 per gallon	\$0.12 per gallon
		(effective April 1)		(effective April 1)	(effective April 1)	(effective April 1)
3.5	Aviation fuel	(cirective April 1)	(effective April 1)	(effective April 1)	(circulate April 1)	Same as 1966

TABLE VI. Taxes on Motive Fuels and Tobacco Products, 1966 to 1976 - Concluded

1971	1972	1973	1974	1975	1976	1
			\$0.15 per gallon	\$0.18 per gallon	Same as May 19, 1975	
Same as 1966	Same as 1966	Same as 1966	\$0.18 per gallon	\$0.21 per gallon	Same as May 19, 1975	
			Same as 1966	\$0.03 per gallon	\$0.05 per gallon	
	r		V.	(effective May 19)	(effective May 17)	
	3/5 of \$0.01 each				4/5 of \$0.01 each	-
Same as 1966	\$0.01 to \$0.15 each	Same as	Same as	Same as	\$0.02 to \$0.20 each	
	\$0.03 per 1/2 oz.	May 1, 1972	May 1, 1972	May 1, 1972	\$0.04 per 1/2 oz.	
	(effective May 1)				(effective May 17)	
			\$0.12 per gallon	1	\$0.15 per gallon	
Same as	Same as	Same as	\$0.16 per gallon	Same as May 15, 1974	\$0.21 per gallon	
March 3, 1970	March 3, 1970	March 3, 1970	(effective May 15)		(effective March 25)	
			Same as March 3, 1970	Same as March 3, 1970	Same as March 3, 1970	
		9/25 of \$0.01 each	1			
		(effective February 9)	Same as	Same as	3/5 of \$0.01 each	
Same as	Same as	\$0.01 to \$0.09 each	February 9, 1973	February 9, 1973	1	
March 1, 1968	March 1, 1968	(effective February 9)			\$0.01 to \$0.04 each	
		Same as	Same as	Same as	\$0.02 per 1/2 oz.	-
		March 1, 1968	March 1, 1968	March 1, 1968	(effective March 24)	
			\$0.10 per gallon			1
Same as	Same as	Same as	\$0.10 per gallon	Same as 1974	Same as 1974	1
June 1, 1968	June 1, 1968	June 1, 1968	Same as	Same as	Same as	1
			June 1, 1968	June 1, 1968	June 1, 1968	
Same as	Same as	Same as	Same as	Same as	Same as	
June 30, 1969	June 30, 1969	June 30, 1969	June 30, 1969	June 30, 1969	June 30, 1969	1
\$0.15 per gallon				\$0.17 per gallon	۱٦	: (
\$0.17 per gallon	Same as	Same as	Same as	\$0.19 per gallon	Sama as 1075	4:
\$0.03 per gallon	February 5, 1971	February 5, 1971	February 5, 1971	\$0.05 per gallon	Same as 1975	. [
ffective February 5)	J			(effective February 28)		
3/25 of \$0.01 each					12/25 of \$0.01 each	1 3
0.01 to \$0.09 each	Same as	Same as	Same as	Same as	(effective March 27, 1976)	-t
\$0.02 per 1/2 oz.	February 5, 1971	February 5, 1971	February 5, 1971	February 5, 1971	Same as	l
ffective February 5)	J				February 5, 1971	
		Same as 1971	Same as 1971	Same as 1971	Same as 1971	
\$0.14 per gallon	Same as 1971	\$0.16 per gallon	Same as April 1, 1973	Same as April 1, 1973	Same as April 1, 1973	
(effective April 1)		(effective April 1)				
\$0.02 per gallon	Same as	Same as	Same as	Same as	Same as	
(effective April 1)	April 1, 1971	April 1, 1971	April 1, 1971	April 1, 1971	April 1, 1971	
Nil	Nil	Nil	2/5 of \$0.01 each	Same as	3/5 of \$0.01 each	
Nil	Nil	Nil	\$0.01 to \$0.09 each	} June 1, 1974	\$0.01 to \$0.10 each	
Nil	Nil	Nil	\$0.02 per 1/2 oz.	J	\$0.03 per 1/2 oz.	
			(effective June 1, 1974)		(effective April 1, 1976)	
Nil	Nil	Nil	8/25 of \$0.01 each	<u> </u>		ď
Nil	Nil	Nil	\$0.01 to \$0.09 each	Same as	Same as	1
			(effective April 1)	April 1, 1974	April 1, 1974	
\$0.14 per gallon						
(effective April 1)						1
	Same as	Same as	Same as	Same as	Same as	3
\$0.15 per gallon					A "1 1 1071	
\$0.15 per gallon (effective April 1)	April 1, 1971	April 1, 1971	April 1, 1971	April 1, 1971	April 1, 1971	
	April 1, 1971	April 1, 1971	April 1, 1971	April 1, 1971	April 1, 1971	!

TABLE VII. Federal Taxes on Alcoholic Beverages and Tobacco Products, 1966 to 1976

	1966	1967	1968 to 1973 inclusive	1974	1975	. 1976
1. Beer	Excise duty of \$0.38 per gallon.	Increased to \$0.42 effective December 1	Same as December 1, 1967	Same as December 1, 1967	Same as December 1, 1967	Same as December 1, :
Spirituous beverages other than Canadian brandy	Excise duty of \$13 per proof gallon.	Increased to \$14.25   effective December 1	Same as December 1, 1967	Increased to \$16.25 effective November 18	Same as November 18, 1974	Same as November 18,
3. Canadian brandy	Excise duty of \$11 per proof gallon.	Increased to \$12.25   effective December 1	Same as December 1, 1967	Increased to \$14.25 effective November 18	Same as November 18, 1974	Same as November 18,
Spirits sold to druggists and used in the preparation of prescription	Excise duty of \$1.50 per proof gallon.	Same as 1966	Same as 1966	Same as 1966	Same as 1966	Same as 19-
5. Imported spirits taken into bonded manufactory	Excise duty of \$0.30 per proof gallon (in addition to other duties).	Same as 1966	Same as 1966	Same as 1966	Same as 1966	Same as 19
6. Wines:  (a) Containing 7% or less of absolute alcohol by volume	Excise tax of \$0.25 per gallon.	Increased to \$0.275 effective December 1	Same as December 1, 1967	Increased to \$0.475 effective November 18	Decreased to \$0.275 effective June 23	Same as June 23, 19
than 7% of absolute alcohol by volume but not over 40% of proof spirit	Excise tax of \$0.50 per gallon.	Increased to \$0.55 effective December 1	Same as December 1, 1967	Increased to \$0.95 effective November 18	Decreased to \$0.55 effective June 23	Same as June 23, 19
(c) Champagne and other sparkling wines	Excise tax of \$2.50 per gallon.	Increased to \$2.55 effective December 1	Same as December 1, 1967	Increased to \$2.95 effective November 18	Decreased to \$2.55 effective June 23	Same as June 23, 19
7. Cigarettes	Excise tax of \$0.025 per 5 cigarettes plus excise duty of \$4 per 1,000 cigarettes weighing less than 3 lbs. per 1,000 or \$5 per 1,000 cigarettes weighing more than 3 lbs. per 1,000.	Increase of excise tax to \$0.03 per 5 cigarettes effective December 1	Same as December 1, 1967	Increase of excise duty to \$5 per 1,000 cigarettes weighing less than 3 lbs. per 1,000 or \$6 per 1,000 cigarettes weighing more than 3 lbs. per 1,000 effective November 18	Same as November 18, 1974	Same as November 18,
8. Cigars	Excise tax of 15% plus excise duty of \$2 per 1,000 cigars.	Increase of excise tax to 17 1/2% effective December 1	Same as December 1, 1967	Increase of excise tax to 20 1/2% effective November 18	Same as November 18, 1974	Same as November 18,
9. Manufactured tobacco	Excise tax of \$0.80 per lb. plus excise duty of \$0.35 per lb.	Increase of excise tax to \$0.90 per lb. effective December 1	Same as December 1, 1967	Increase of excise duty to \$0.50 per lb.	Same as November 18, 1974	Same as November 18,
10. Canadian raw leaf tobacco	Excise duty of \$0.10 per lb.	Same as 1966	Same as 1966	Same as 1966	Same as 1966	Same as 19

Notes: 1. All goods subject to federal excise tax and/or duty are also subject to the federal manufacturers' sales tax; however, while the manufacturers' sales tax is applicable to excise duties and certain excise taxes do not apply to imported commodities; the customs duty rates applicable to imported products are set, however, to take account of these







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Price: \$1.40



# TABLE OF CONTENTS

Introduction	Page
Introduction	
General Commentary	5
Government Structure  Main Legislation Governing Federal-Provincial Relations  The Federal-Provincial Fiscal Arrangements and Established Programs	5
Financing Act, 1977  The Federal-Provincial Fiscal Revision Act, 1964	6 9
PART I. Taxes Levied by the Federal Government	
Income Taxes	13
Other Important Federal Taxes	
1977 Changes in Federal Taxes	
	14
Table	
1. Income Taxes Levied by the Federal Government	16
2. Other Important Federal Taxes.	18
PART II. Taxes Levied by Provincial Governments	
Income Taxes	23
Consumption Taxes	24
Miscellaneous Provincial Levies	25
1977 Changes in Provincial Taxes	25
Table	
3. Income Taxes Levied by Provincial Governments	20
4. Capital and Gift Taxes and Succession Duties	30
5 A. General Retail Sale Taxes Levied by Provincial Governments	34
5 B. Other Consumption Taxes Levied by Provincial Governments	36
6. Miscellaneous Provincial Levies	44
PART III. Taxes Levied by Municipal Governments	
Real Property Tax	59
Special Assessment and Local Improvement Taxes	59
Business Tax	59
Table Table	
7. Main Aspects of the Real Property Tax	60

### TABLE OF CONTENTS — Concluded

## PART IV. Historical Tables of the Most Important Taxes

n ti	Page
Table I. Personal Income Taxes Levied by the Federal Government, 1972 to 1977	66
II. Personal Income Taxes Levied by the Province of Quebec, 1972 to 1977	
III. Personal Income Taxes Levied by the Provinces Other Than Quebec, 1972 to 1977	
IV. Federal Corporation Income Tax, 1972 to 1977	70
V. Provincial Corporation Income Taxes, 1972 to 1977	70
VI. Federal and Provincial General Sales Taxes, 1972 to 1977	72
VII. Provincial Taxes on Motive Fuels, 1972 to 1977	
VIII. Provincial Taxes on Tobacco Products, 1972 to 1977	76
IX. Federal Taxes on Alcoholic Beverages and Tobacco Products, 1972 to 1977	78

### INTRODUCTION

The Public Finance Division of Statistics Canada releases annually a summary of the principal taxes levied in Canada. These taxes are tabulated under the level of government which levies them, i.e., federal, provincial and municipal. Hence, the main divisions of the present publication are as follows:

General Commentary

Part I. Taxes Levied by the Federal Government

Part II. Taxes Levied by Provincial Governments Part III. Taxes Levied by Municipal Governments Part IV. Historical Tables of the Most Important Taxes.

The principal levies in force as at and changes proposed prior to July 1, 1977 whether or not implemented at that date are taken into account herein.

#### **GENERAL COMMENTARY**

For a clearer understanding of the nature of the principal taxes in force in Canada, it is useful to have some general knowledge of the sociopolitical context in which they are levied. To this end, the Canadian government structure and the main fiscal legislation presently governing the relations among units of government are briefly described below.

#### Government Structure

Canada is a federal state with a central government, 10 provincial governments and two territorial administrations. The British North America Act, adopted in 1867. forms the written constitution of the country. Sections 91 and 92 of the Act specify the distribution of taxing powers and responsibilities between the federal parliament and the provincial legislatures. Under Section 91, the Federal parliament is given unlimited taxing powers while, under Section 92, the provincial legislatures are granted the power of "direct taxation within the province in order to the raising of a revenue for provincial purposes". In addition, the BNA Act empowers the provinces to establish municipal institutions within their own territory. Thus, the latter derive their powers and their fiscal and financial responsibilities from the provincial legislature which created them.

In the mid-19th century, the definition of direct taxes formulated by J.S. Mills:1 "A direct tax is one which is demanded from the very person who it is intended or desired should pay it", was the guiding principle. According to this definition, most major levies in Canada are direct taxes, i.e., personal and corporation income taxes, succession duties and a variety of provincial sales taxes which are paid by the ultimate purchaser or user of taxed goods and services. The field of indirect taxation, occupied solely by the federal government, includes customs duties, excise levies, export charges on certain products and sales taxes levied on manufacturers.

Direct taxation in the form of income tax was employed in several municipalities even before the forma-

tion of federation. This form of taxation was adopted

by British Columbia in 1876 and by Prince Edward Island in 1894 but it was not until 1917, during the First World War, that the federal government entered the income tax field. During the 1930's provinces began to levy taxes on income and by 1940 all provinces were taxing the income of corporations and seven were taxing the income of individuals. However, the provinces relinquished their occupancy of this field of taxation to the federal government for the duration of the Second World War.

Among the other direct taxes, succession duties are the oldest; Ontario and Quebec started to levy such duties in 1892. The other provinces soon followed by adopting succession duties legislation modeled on the Ontario Act. The federal government entered this field of taxation in 1941 with the adoption of the Estate Tax Act. This tax, however, applied to the total value of an estate, not to the part received by each heir as was the case with the provincial legislation. The Estate Tax Act was repealed in 1971.

#### Main Legislation Governing Federal-Provincial Relations

The federal-provincial fiscal arrangements, as they are now known, originated at the end of the Second World War, i.e., about 1946, when most provinces wanted to re-enter the direct taxation field. Several federal-provincial conferences were held at that time in order to devise the structure of the relations (fiscal and financial) that should prevail between the two levels of government. The first agreements in this respect were implemented for the years 1947 to 1952, pursuant to the Dominion-Provincial Tax Rental Agreements Act. Ontario and Ouebec did not sign such tax rental agreements. These provinces continued to levy succession duties and resorted again to corporation income tax at a rate of 7%; they did not enter the personal income tax field.

The 1947 agreements started the series of quinquennial federal-provincial arrangements, each one modifying and broadening the terms and content of the immediately preceding one. For instance, with the adoption in 1957 of the tax sharing arrangements replacing the tax rental agreements in force since 1947, the federal government initiated the income tax abatement system in favour of the provinces. The 1957

<sup>1</sup> J.S. Mill, Principles of Political Economy, Book V, Chapter iii.

formula, however, was modified by the 1962 agreements. Under this modification, the provinces could establish the rates of their own income tax which could be higher or lower than the federal abatement. Further, the federal government offered to collect, together with its own income tax, any income tax that provinces levied. Thus began the system of Tax Collection Agreements.

In addition to fiscal matters, recent quinquennial arrangements deal with fields of public interest in which joint federal-provincial actions are considered desirable. The main Acts governing existing arrangements are described below in the following order:

the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977; the Federal-Provincial Fiscal Revision Act, 1964.

# The Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977

This Act, assented to March 31, 1977 and in force as of April 1, 1977, comprises 10 parts which are summarily described below.

#### I – Fiscal Equalization Payments

The equalization program, as it is now known, was established in 1967 and revised in 1972 and 1977. These revisions, however, did not modify its basic philosophy: the redistribution of part of the nation's wealth among the provinces. From its general revenue, the federal government compensates any province whose per capita revenue is below the national average by reason of a relative deficiency in the province's tax base. Thus, equalization payments are intended to ensure that all citizens are provided with comparable standards of public services throughout the country.

According to the formula, known as "the representative tax system", provincial revenue subject to equalization, which was divided into 20 revenue sources in the 1972 Act, is further divided in the 1977 Act into 29 revenue sources to better reflect what the provinces are now taxing. For each revenue source, an economic revenue base will be defined uniformly for all provinces in the Regulations to be made pursuant to the Act. These revenue sources are as follows:

- (1) personal income taxes.
- (2) corporation income taxes including revenues of government business enterprises not elsewhere specified in the Act and federal payments made pursuant to the Public Utilities Income Tax Transfer Act,
- (3) general and miscellaneous sales taxes and amusement taxes,
- (4) tobacco taxes,

- (5) motive fuel taxes derived from the sale of gasoline,
- (6) motive fuel taxes derived from the sale of diesel fuel.
- (7) non-commercial motor vehicle licensing revenues,
- (8) commercial motor vehicle licensing revenues,
- (9) alcoholic beverage revenues derived from the sale of spirits,
- (10) alcoholic beverage revenues derived from the sale of wine,
- (11) alcoholic beverage revenues derived from the sale of beer,
- (12) hospital and medical care insurance premiums,
- (13) succession duties and gift taxes,
- (14) race track taxes,
- (15) forestry revenues,
- (16) oil revenues derived from mineral rights owned by the province,
- (17) oil revenues derived from mineral rights owned otherwise than by the province,
- (18) natural gas revenues derived from mineral rights owned by the province,
- (19) natural gas revenues derived from mineral rights owned otherwise than by the province,
- (20) sales of Crown leases and reservations on oil and natural gas lands,
- (21) oil and gas revenues other than those described in (16) to (20),
- (22) metallic and non-metallic mineral revenues,
- (23) water power rentals,
- (24) insurance premium taxes,
- (25) payroll taxes,
- (26) provincial property taxes and school purpose taxes,
- (27) lottery revenues,
- (28) miscellaneous provincial taxes and revenues not specified individually above,
- (29) revenues of the Government of Canada from any of the sources enumerated above that are shared with the provinces, with the exception of the revenues derived from the income tax on Public Utilities.

The amount of revenue to be equalized in respect of some of the revenue sources is subject to qualifications or limitations. For instance, only one half of provincial revenues derived from the revenue sources described in (16) to (22) will be equalized and the related entitlement must not exceed one third of total equalization payable to one province. Further, one half of the revenues derived from non-renewable natural resources, which are contained in the revenue source (29) will be subject to equalization. There are other

technical qualifications applicable to revenues derived from natural resources. For more details in this respect, the reader may refer to subsections (5) to (8) of Section 4 of the Act.

To determine the amount of equalization to which a province is entitled, the province's population as a proportion of the all provinces' population and the province's revenue base as a proportion of the all provinces' revenue base for each of the 29 revenue sources are calculated. Where the former proportion is higher than the latter for any of the revenue sources, the province is said to have a fiscal capacity deficiency for that revenue source; if the magnitude of these proportions is reversed, the province is said to have a fiscal capacity excess. The total revenue of all provinces for each revenue source is multiplied by each province's respective fiscal capacity related to the appropriate revenue source and for any province the amount of equalization payable is the sum total of the "deficiency" products less the sum total of the "excess" products.

Since the beginning of this program in 1967, seven provinces have received equalization payments: Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Manitoba and Saskatchewan.

#### II - Fiscal Stabilization Payments to Provinces

The basic purpose of the stabilization program remains the same in the 1977 Act as what it was when this program was introduced in 1967, i.e., to ensure that a province's fiscal revenue is not less than its immediately preceding year's fiscal revenue, provided the tax rates and structure remain unchanged between the two years. In other words, this program provides the provinces with minimum fiscal stability, i.e., a floor under which provincial revenue cannot drop.

In the 1977 Act as in the former Act, provincial revenues subject to stabilization are the same as those that are to be equalized. However, the new Act contains some exceptions. For example, school purpose taxes are excluded from the stabilization program. Further, for stabilization purposes, the amounts of provincial income taxes, personal as well as corporate, have to be reduced by the tax credits and rebates granted to taxpayers. There are also special provisions concerning a reduction in natural resources revenue, whereby stabilization becomes applicable to the extent that the reduction exceeds 50% of such revenue in the previous year. No stabilization payments have been made to date.

#### III - Tax Collection Agreements

Pursuant to the Federal-Provincial Fiscal Arrangements Act, 1962, the federal government undertook to collect for the provinces, together with its own income tax, provincial personal and corporation income taxes

provided that provinces' tax systems were uniform with the federal system. All provinces, Quebec excepted, signed the agreements in respect of personal income tax and all provinces, except Quebec and Ontario, in respect of corporation income tax. This collection is made at no cost to the provinces, except for a small fee for the administration of special tax rebates implemented by some provinces.

The federal tax abatement system, introduced in 1957, was abandoned in 1972 and the federal rates of personal income tax were adjusted downward to take account of previous abatements and of modifications to the structure of the federal tax system. The latter consolidated the former categories of rates into a composite scale (e.g., the special calculation in respect of the old age security was integrated into the new rate structure). According to this new scale, it was estimated that a provincial tax rate of 30.5% of the new "basic federal tax" would produce the same revenue as did the 28% abatement granted under the 1967 arrangements.

Due to the modifications brought by the 1977 Act in respect of the financing of established shared-cost programs, which will be described under paragraph VI below, the enlarged personal income tax field available to the provinces will be equivalent to about 44% of "basic federal tax". Provincial governments, however, are free to specify rates above or below 44% and so determine the impact of their income taxes.<sup>2</sup>

The general terms of the agreements remain unchanged with the 1977 Act. However, a provision was added concerning the entering into such agreements with the Yukon and Northwest Territories should they decide to levy their own income taxes. Further, the provision concerning the collection of provincial succession duties and gift taxes has been deleted.

#### IV — Provincial Personal Income Tax Revenue Guarantee Payments

The formula according to which the federal government guaranteed that the provinces would not suffer a loss of personal and corporation income tax revenue entailed by the 1971 revision of the Income Tax Act has been completely modified with the 1977 Act.

First, provincial revenue from corporation income tax is no longer subject to revenue guarantee payments. Second, the guarantee in respect of provincial revenue from personal income tax is to be calculated for a given year in the five-year period April 1, 1977 to March 31, 1982, in relation to the immediately preceding year. For provinces which express their rates of personal income tax as a percentage of "basic federal tax", the federal government will compensate any revenue losses

<sup>&</sup>lt;sup>2</sup> See Table 3 for provincial income tax rates.

they may incur as a result of policy changes which reduce the federal basic tax. However, such losses will have to exceed 1% of federal basic tax within a province before a guarantee payment can be made to that province. For provinces which have their own personal income tax system (Quebec only is in this case), a guarantee payment will be made if they make changes in their tax system similar to the federal changes during the same year.

#### V – Transfer Payments with Respect to Tax on 1971 Undistributed Income on Hand

The single modification brought to Part V of the 1972 Act by the 1977 Act limits the responsibility of the federal government to the payments as described in this part, i.e., no payment will be made to a province in respect of any tax that may be paid by corporations under Part IX of the **Income Tax Act**.

Payments made under this part of the Act refer to the tax prepaid prior to 1971 by a corporation, at a special rate of 15%, on shareholders' earnings retained in the corporation, which earnings can subsequently be distributed to shareholders free of tax. Provisions in this respect were retained in the revised Income Tax Act for income earned prior to 1972. Part V of the Federal-Provincial Fiscal Arrangements Act, 1972 was retained in the new Act to ensure that the provinces continue to receive a share of the prepaid tax when tax-paid earnings are distributed to shareholders. This share is equivalent to 20% of the tax already paid.

#### VI – Established Programs Financing

Part VI of the 1977 Act sets out the provisions for the financing of the established shared-cost programs, namely the Post-Secondary Education program, the Hospital Insurance program, the Medical Care program and the Extended Health Care Services program. Through this new Act all open-ended cost-sharing arrangements in the health care fields are being terminated and the cost-sharing provisions of the Hospital Insurance and Diagnostic Services Act and the Medical Care Act are replaced by the financing provisions as set out in this Part VI.

No termination date is specified, but there are provisions indicating that no amendments which would reduce a province's entitlement can be made except on three year's notice or with the consent of the province. Further, such notice cannot be given by the federal government before April 1, 1979. Under these new financing arrangements, the federal contributions are no longer tied to provincial expenditures. As a result, the need for detailed accounting records required under former cost-sharing formulas is eliminated.

The federal contributions, under the new financing system take the form of a transfer of a share of the field

of income taxes, occupied so far by the federal government and of cash payments. In the field of income taxes, the share of the federal taxes transferred to the provinces is equal to 13.5% of "basic federal tax" and a 1% tax on corporation taxable income. These percentages include however the former transfers of 4.357% of personal income tax and the 1% tax on corporation taxable income which were associated with the postsecondary education cost-sharing program. Therefore, the net additional tax transfer in favour of the provinces corresponds to 9.143% of the former basic federal tax. From 1977 onward, the latter is reduced to take into account such a transfer. As a result, there would be no increase in income tax to be paid by taxpayers if the provinces were to raise their rates to offset precisely the federal reduction. For example, for provinces which express their rates as a percentage of basic federal tax, the simple addition of about 14 percentage points to their rates would achieve such an offsetting.

In the case of the province of Quebec, the tax change required consists only in a reduction of the special federal tax abatement granted to the residents of the province, from 24% to 16.5%. In other words, the established programs financing arrangements set out in the 1977 Act do not affect that province, except for the above-mentioned reduction, since Quebec had already contracted-out all these shared-cost programs. Thus, one consequence of the new financing arrangements is to bring, in line with Quebec, the other provinces which did not avail themselves of the 1965 contracting-out formula.

Cash payments are in four forms as follows:

- (1) A basic per capita cash contribution equal to the product obtained by multiplying an amount equivalent to 50% of the national average per capita contribution to the above-mentioned shared-cost programs in the base year, i.e., 1975-76, adjusted annually according to the rate of growth of the Canadian economy, with the population of each province.
- (2) Transition payments to compensate for variations in the value of the tax transfers among the provinces to ensure that this value is at least equal to the basic cash contribution.
- (3) Levelling adjustments to facilitate the transition to the new arrangements and to achieve equal per capita payments among provinces over a five-year period. Provinces below the national average will receive additional per capita grants so as to reach this average in three years; provinces above the national average will be reduced to that average in five years. Cash payments for these three components are allocated among the established programs according to the ratio each had in the reference year 1975 76, which was as follows:

Hospital Insurance	٠		٠					50%
Medical Care Insurance								
Post-Secondary Education								33%

(4) Finally, a cash payment of \$20 per capita, adjusted annually to take account of variations in the Gross National Product, in respect of some health care services formerly included in part in the Canada Assistance Plan, such as nursing home and adult residential care services. Other services are also included, namely intermediate care, converted mental hospitals, home care and ambulatory health care.

#### VII - Alternative Payments for Standing Programs

In 1964, the provinces were given an option to assume full financial and administrative responsibility for certain federal-provincial shared-cost programs in return for fiscal compensation. To this end, the Established Programs (Interim Arrangements) Act was enacted in April 1965, which is repealed through the 1977 Act. Quebec alone took advantage of this legislation and contracted out all major shared-cost programs. Several amendments were made to the Act between 1965 and 1972. As a result, the tax abatement granted to Quebec, in respect of "contracting-out", was at the end of 1976 as follows:

Hospital Insurance program	16%
Special Welfare program	5%
Total	21%

However, the total tax abatement to Quebec taxpayers amounted to 24%, since there was, in addition, an abatement of 3% in respect of youth allowances.

In addition to granting an income tax abatement, the federal government also made, pursuant to the 1965 Act, an operating cost adjustment, consisting of either a payment or a recovery, to ensure that the province would not receive more or less than the other provinces which did not avail themselves of the option to assume full responsibilities of the programs involved.

#### The Federal-Provincial Fiscal Revision Act, 1964

The provisions of Part VII of the 1977 Act also deal with the financial aspects of the Federal-Provincial Fiscal Revision Act, 1964 which was amended in 1973 to allow the federal government to recover from Quebec the full value of the tax abatement (3%) granted to that province in relation to youth allowances. Such an amendment became necessary when these allownaces started to be paid to Quebec residents pursuant to amendments made to the Family Allowances Act in 1973.

The new arrangements in respect of the federal income tax abatement in favour of the provinces required new calculations of the special abatement to Quebec related to "contracting-out". These calculations take into account the additional fiscal transfer of 13.5% granted to all provinces and the accompanying reduction in the basic federal tax. As a result, the revised tax abatement granted to Quebec taxpayers is 16.5% of the reduced federal basic tax commencing with the 1977

taxation year. For administrative purposes, this abatement is distributed as follows:

Established programs	fi	na	ını	ci	ng	5					۰		8.5%
Special welfare	۰						۰	٠					5.0%
Youth allowances													3.0%

The abatement of 8.5% is to offset cash otherwise payable for Hospital Insurance, Medical Care, Post-Secondary Education and extended health services, that of 5% is in respect of blind persons allowances, disabled persons allowances, unemployment assistance and the welfare services referred to in the Canada Assistance Plan. As mentioned above, the 3% abatement in respect of youth allowances is fully recovered by the federal government.

#### VIII - Provincial Taxes and Fees

According to the British North America Act, a government cannot levy taxes on another government. However, due to the growing complexities of the economic and commercial transactions of governments, the constitutional provisions regarding intergovernmental taxation have become increasingly difficult to observe, particularly when government purchases are made through suppliers in the private sector such as retailers and building contractors.

To remove, or at least to minimize, the uncertainties and difficulties surrounding the paying of consumption taxes among governments, a set of indices based on criteria applied to various types of expenditure has been devised and is incorporated in Part VIII of the 1977 federal-provincial fiscal arrangements. Under this part of the Act the federal government may enter into reciprocal taxation agreements with the provincial governments as of October 1, 1977. Such agreements will run until March 31, 1981, with provisions for renewal. The terms of these agreements also apply to purchases by Crown corporations listed in Schedules C and D to the Financial Administration Act and in Schedules A and B to the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977. As of February 1977, six provinces had agreed to enter into these reciprocal taxation agreements: Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec and Ontario.

Payments by the federal government in lieu of provincial consumptions taxes and fees will be determined as follows:

(a) Federal departments will continue to be exempt from provincial sales taxes for their purchases of otherwise taxable goods and services. For such purchases, the participating provinces will provide a sales tax licence which will be noted on the purchase documents. The federal Department of Finance will then allocate, according to a formula to be spelled out in the Regulations, the amount of taxes accruing

- to each participating province and will make a corresponding payment in lieu of such taxes.
- (b) Some taxes and fees as, for instance, motive fuel taxes, tobacco and amusement taxes and sales taxes on building materials purchased by contractors for the construction and maintenance of government buildings will be paid by federal departments through the suppliers as is the case for any other type of buyers.

As for the provinces, they will pay any tax or fee levied under the Excise Tax Act and waive the right to a refund of such tax or fee as provided in subsection 44(2) of that Act.

Since the Regulations to be made pursuant to the Act are not available at this time, the actual and detailed operations of the reciprocal taxation agreements are not known. However, the Act specifies that the federal government will pay to the participating provinces an amount equal to the difference between the federal taxes paid by a province and the provincial taxes paid by the federal government within that province. It is estimated that an amount of about \$13 million will have to be paid by the federal government for the six-month period October 1, 1977 to March 31, 1978.

Finally, federal payments in relation to a provincial tax which constitutes a revenue source for equalization purposes will be deemed to be a provincial revenue from that revenue source and will, therefore, be subject to equalization entitlements payable to participating provinces.

The remaining parts of the Federal-Provincial Fiscal Arrangements and Established Program Financing Act, 1977 – IX: General and X: Consequential and Related Amendments and Coming into Force; deal with (a) the making of regulations and the manner in which recoveries of overpayments can be made – Part IX and (b) technical formulae applicable to various provisions of the Act and the new scale of personal income tax for 1977 and subsequent taxation years – Part X. This scale takes into account the additional net fiscal transfer of 9.143% of "basic federal tax" to the provinces in respect of the established programs financing. The revised federal rates and levels of taxable income are presented in Table 1 of the following part of this publication.

The table below sets out the amounts paid by the federal government to provincial governments during the fiscal year 1976-77 under the 1972 fiscal arrangements.

#### Payments to the Provinces Pursuant to the Federal-Provincial Fiscal Arrangements Act, 1972 1976 - 77

	\$,000
Equalization	2,169,282
Stabilization	_
Tax collections: Personal income tax	3,910,425 666,852
Tax revenue guarantee: Personal income tax	722,005 221,107
Tax on 1971 undistributed income on hand	15,555
Post-Secondary Education adjustments	

#### NOTE

In the tables of this publication, the statutory authority under which taxes are levied by the federal and provincial governments is provided. The proper name of the statute or revised statute is followed by the year of implementation, the number of the chapter concerned and a statement as to whether there have been subsequent amendments, i.e., Excise Tax Act; R.S.C. 1970, c. E13 and amendments.

## PART I

TAXES LEVIED BY THE FEDERAL GOVERNMENT



### TAXES LEVIED BY THE FEDERAL GOVERNMENT

The federal government levies a variety of taxes which apply throughout Canada. The principal of these:

income, sales and excise taxes, excise and custom duties and petroleum export charges are dealt with below.

#### Income Taxes

Under Part 1 of the Income Tax Act, the federal government levies a tax on the taxable income of individuals and corporations resident in Canada, whether this income is derived from sources inside or outside the country. It also levies a tax on the taxable income of non-residents which is earned in Canada either from employment or from business carried on within Canada or from a gain on disposal of taxable Canadian property. Canada has entered into income tax conventions with several countries to avoid double taxation of the same income and to prevent fiscal evasion.

#### Personal Income Tax

For tax purposes, the determination of the income of individuals can be described in three successive steps: the declaration of total income, the computation of net income and the determination of taxable income.

First total income includes earnings from all sources, such as

- (a) income from office or employment, i.e., salaries, wages, gratuities, commissions, benefits from employment, personal or living expenses, fees and allocations under profit sharing plans;
- (b) income (or loss) from business or property, i.e., profits, interest, payments based on production or use (royalties or rents), dividends, partnership income, benefits from estates and employees profit sharing plans;
- (c) one half of realized capital gains or incurred losses;
- (d) other sources of income, such as pensions, unemployment insurance benefits, retiring allowances, death benefits, alimony, maintenance payments, annuity payments, adult training allowance, scholarships, bursaries, research grants and family allowances.

On the other hand, total income excludes employment expenses up to the lesser of 3% of employment income or \$250.

Secondly, certain deductions from total income are permitted to determine the net income of individ-

uals. These include the capital element of annuity payment, alimony and maintenance payments, tuition fees, contributions to a pension plan, Deferred Profit Sharing Plan, Registered Retirement Savings Plan, Registered Home-ownership Savings Plan, Education Savings Plan, income averaging annuity contract, moving (under certain conditions) and child care expenses, depletion, exploration and development expenses.

Thirdly, taxable income is derived by subtracting from net income personal exemptions and deductions, other than those listed above, as they are set out in Table 1. As may be noted in this table, tax rates and levels of taxable income in each bracket are adjusted to exclude the fiscal transfer of 9.143% granted to the provinces pursuant to the 1977 federal-provincial financial arrangements, which were described above in the introduction. Further, income levels have been established to take into account an estimated increase of 8.6% in the Consumer Price Index in 1977.

#### **Corporation Income Tax**

For taxation purposes, income of corporations includes all returns derived from carrying on business or from holding property. Among such returns are operating profits, investment earnings (interests, dividends, rents and royalties) and gains resulting from the disposal of capital property. Expenses, including indirect taxes, e.g., property taxes, and outlays necessary to earn a particular type of income as well as specified deductions are subtracted from the relevant return to determine the taxable income of corporations. Taxable capital gains are the net difference between one half of realized capital gains and one half of related capital losses.

The rates of corporation income taxes are set out in Table 1. There is, in the same table, a brief description of special taxes levied under the **Income Tax Act**, namely taxes on taxable dividends received by private corporations, on investment income of life insurers, on income from Canada of non-residents and additional taxes on earnings of Canadian branches of foreign corporations.

#### Other Important Federal Taxes

Besides income taxes the federal government levies other taxes pursuant to various Acts, of which the most mportant are the Excise Tax Act, the Exice Act, the Customs Tariff and the Petroleum Administration Act. The main taxes levied under each of these Acts are briefly described on the following page.

#### The Excise Tax Act

#### (a) Consumption or Sales Taxes

Under Part V of the above-mentioned Act, the federal government levies a tax, usually referred to as the manufacturers' sales tax, on all goods produced in or imported into Canada unless there is a specific exemption in the Act. For goods produced in Canada, the taxable value is the selling price of the manufacturer or, under certan conditions, the purchase price of a licensed wholesaler or operator of duty-free sales outlets. Where goods are imported the tax is levied on the duty-paid value of the goods. The rate is 12% on most commodities; it is 5% on building equipment and construction materials which are specified in Schedule V to the Act. A list of goods, either fully or partially exempt, is given in Table 2.

#### (b) Excise Taxes

An excise tax is levied on foreign insurance premiums, other than marine, pursuant to Part I of the Excise Tax Act and on air transportation pursuant to Part II.

Most commodities subject to the consumption tax described above are also subject to the exise tax. These commodities or articles are specified in Parts III and IV of the Act as well as in the schedule to the Act. Most of these articles are listed in Table 2. The excise tax and the consumption tax are calculated independently on the basic value of the product which is either the sale or delivered price when made in Canada, or the duty-paid-value when imported. For alcoholic beverages and tobacco products the sale price, for the purpose of the excise taxes, includes the excise duties levied under the Excise Act. The excise tax does not apply to exported goods.

#### The Excise Act

Under this Act, the federal government levies duties on tobacco and alcoholic products, other than

wines, made in Canada. These commodities are under the control of the Crown until the duty is paid and evidenced by a stamp or an approved imprint placed on the article. The duties are expressed at various unit rates based on the quantity rather than the value of the product and are applied before the above-mentioned excise taxes are levied. For similar imported products, the excise duty is included in the customs duty rates applicable.

#### The Customs Tariff

Customs duties are imposed on most imported commodities under the authority of the Customs Tariff. Imported articles are classified under various categories and a rate is established for each. There are two types of rates; a specific rate, i.e., an amount per quantity or volume, and an "ad valorem" rate which is a percentage of the dutiable value of the imported goods. This value is generally the fair market value in the country of export. In addition, these two types of rates vary according to the country of origin of the imported goods. In this respect, there are three categories: (i) British preferential rates, which are the lowest, (ii) most favoured nation rates established under special agreements with certain countries, and (iii) general rates, which apply to imports from countries not specified elsewhere in the Act.

#### The Petroleum Administration Act

Under the authority of this Act, the federal government levies a charge on the export of crude oil and certain other petroleum products. Rates of taxation, which vary according to the kinds and qualities of the products, consist of a specific charge per barrel or equivalent of barrels.

Table 2 sets out the rates levied under the above-described Acts on various goods and activities, exclusive however of customs duties. For detail on tariff schedules, reference should be made to Revenue Canada, Customs and Excise.

#### 1977 Changes in Federal Taxes

The Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977, which replaces the arrangements enacted in 1972, as described above in the introduction, brings forth changes to the Income Tax Act. First, the transfer of additional tax points to the provinces necessitated the establishment of a new rate schedule for 1977 and subsequent taxation years. Secondly, the rate of tax cut presently in effect is increased from 8% to 8.81%, the latter rounded to 9%, in order to maintain the value of the reduction comparable to its value prior to the tax transfer. Thirdly, the federal portion of the dividend tax credit decreased to

75% from 80% of the amount of dividend gross-up and, as a consequence, the provincial portion increased from 20% to 25%. Finally, the rate of tax on income of persons not subject to provincial tax, namely residents of the Yukon and Northwest Territories and Canadian taxpayers living abroad, increased from 30% to 43%.

In addition to the modifications outlined above, the federal government brought forward other changes in the "Budget Speech" presented to the House of Commons on March 31, 1977. All changes are to take effect as of January 1st 1977, except otherwise stated.

#### 1. Personal Income Tax

- (a) A tax reduction of up to \$50 for each dependent child under 18 years of age and residing in Canada was granted in addition to the 9% reduction mentioned above.
- (b) The employment expense maximum deduction is increased from \$150 to \$250.
- (c) Taxable capital gains realized on the sale of Canadian securities are eligible for inclusion in the \$1,000 deduction applicable to interest and dividends.
- (d) Net capital losses up to \$2,000 can be deducted against income from other sources; this is twice the amount previously allowed.

#### 2. Corporation Income Tax

- (a) The 5% investment tax credit applicable to capital expenditures on new buildings, machinery and equipment that was scheduled to end July 1, 1977 was extended to July 1, 1980. Further, the terms of the credit have been enlarged to apply to certain capital expenditures and the rate was increased for specific designated regions. The latter will be in force from April 1, 1977 to June 30, 1980.
- (b) Effective for their fiscal periods commencing after December 31, 1976, businesses are permitted to deduct an amount equal to 3% of the value of inventory on hand at the beginning of the year.

#### 3. Non-resident Tax on Interest

The exemption from non-resident withholding tax for interest on government bonds and long-term corporate bonds issued before 1979 was extended to cover securities issued before 1983.

The exemption was also extended to cover interest paid to non-residents on or after January 1, 1977 on mortgages on real property situated outside Canada.

#### 4. Consumption or Sales Tax

The items listed below are exempt from the consumption or sales tax, as of April 1, 1977:

- (a) certain handicraft products of significance to Canadian heritage and culture,
- (b) coins used as currency in any country,
- (c) wheel-chair lifts and other equipment utilized by disabled,
- (d) tricycles,
- (e) the articles and materials used in the manufacture of the products listed above under (c) and (d),
- (f) 50% of the sale price, when manufactured in Canada, or 50% of the duty-paid value, when imported, of metric retail scales having a maximum weighing capacity of 100 kilograms and designed for the weighing of goods in retail operations,
- (g) parts and kits for conversion or adaption to the metric system,
- (h) motor vehicles, trackless trains and parts and accessories for installation in such vehicles, which are used exclusively for transporting at least 12 handicapped persons,
- (i) the 12% tax levied on certain petroleum products has been replaced by a specific tax per gallon varying berween \$0.04918 and \$0.05507 for gasoline and of \$0.04618 for diesel fuel.

#### 5. Air Transportation tax

The air transportation tax, levied under the Excise Tax Act, was modified to apply to tickets purchased abroad which involve the use of Canadian air transportation facilities after Octover 31, 1977.

All the changes outlined above are listed in Tables  $1\ \mathrm{and}\ 2.$ 

#### TABLE 1. Income Taxes Levied by the Federal Government

Personal income tax	
1. Statutory authority	Income Tax Act (Part I) S.C. 1970 - 71 - 72 c. 63 and amendments.
2. Basis	Taxable income of residents and taxable income earned in Canada of non-residents.
3. Rate	6% on the first \$710 of taxable income  \$ 43 on \$ 710 plus 16% on next \$ . 709 156 " 1,419 " 17% " " 1,419 397 " 2,838 " 18% " " 1,419 653 " 4,257 " 19% " " 2,838 1,192 " 7,095 " 21% " " 2,838 1,788 " 9,933 " 23% " " 2,838 1,788 " 9,933 " 23% " " 2,838 2,441 " 12,771 " 25% " " 2,838 3,150 " 15,609 " 28% " " 4,257 4,342 " 19,866 " 32% " " 14,190 8.883 " 34,056 " 36" " " 21,285 16,546 " 55,341 " 39% " " 29,799 28,167 " 85,140 " 43% on remainder
4. Personal exemptions	Married taxpayer \$4 Single taxpayer 2 Dependant child under 16 years of age. Other dependants (as defined by law) Taxpayer aged 65 years or over (transferable to spouse) 1
5. Deductions	Charitable donations up to 20% of net income.  Gifts to the federal or provincial governments.  Medical expenses in excess of 3% of net income.  An optional standard deduction of \$100 in lieu of claiming charitable donations and medical expenses.  \$1,420 for blind persons or persons confined to a bed or wheelchair (transferable to spouse).  Payments of supplement under Old Age Security Act.  \$50 for each month in attendance at a post-secondary institution for students and/or supporting individ (transferable to spouse).  Interest, dividends and capital gains on Canadian securities up to \$1,000 (transferable to spouse).  \$1,000 for pension income other than from universal pension plans (transferable to spouse).  Non-capital losses sustained in any of the five preceding years, net capital losses up to the amount of any tax capital gains (maximum of \$2,000 may be deducted from other sources of income) and restricted farm is of prior years to the extent of farm income.  Employment expenses up to the lesser of 3% of employment income or \$250.
6. Tax reductions and credits	General averaging when income exceeds 120% of average income of the preceding four years or 110% income for the immediately preceding year.  Averaging for farmers or fishermen for a block of five years.  16.5% tax abatement for income earned in Quebec in compensation for the province's opting-out of cershared-cost programs.  A general 9% of tax payable with a minimum of \$200 and a maximum of \$500.  25% of the taxable amount (actual amount plus one third of this amount) of dividends from taxable Cana corporations.  A foreign tax credit applicable to foreign non-business income and income from business carried on in a for country.  A portion of political contributions to federal registered parties and candidates up to a maximum of \$500.
Corporation income tax	
8. Statutory authority	Income Tax Act; Part I.
9. Basis	Total taxable income of corporations and taxable income of foreign corporations earned in Canada.
10. Rate	46%.
11. Deductions	Charitable donations up to 20% of net income.  Gifts to the federal or provincial governments.  Non-capital losses sustained in any of the five preceding years, net capital losses and restricted farm loss prior years to the extent of a corporation's net capital gain and farm income respectively.  Taxable dividends from a taxable Canadian corporation and from a controlled subsidiary resident in Calwith certain minor exceptions. (Dividends received from non-resident or foreign corporations are generally deductible.)

# TABLE 1. Income Taxes Levied by the Federal Government — Concluded

	The second of th
Corporation income tax — Concluded	
12. Tax reductions and credits	21% for Canadian-controlled private corporations on first \$150,000 of income from an active business carried on in Canada to the overall limit of \$750,000.  6% on manufacturing and processing profits (5% when qualifying for small business deduction).
	A logging tax deduction which is the lesser of 2/3 of logging taxes paid to a province or 6 2/3% of income from logging operations.  Federal political contributions tax credit.  investment tax credit applicable to new buildings, machinery and equipment acquired between June 24, 1975 and July 1, 1980. (Higher rates for designated regions.)  of the value of inventory on hand at the beginning of a corporation's fiscal year.
13. Special rules	Private corporation: A refund of 25% of corporate taxes paid in respect of Canadian investment income and foreign investment income (other than dividends) when taxable dividends are paid to shareholders.  Investment corporation: Investment income qualifies for 25% reduction in normal corporate rates, Realized capital gains are taxed at normal corporate rates (refundable when gains are distributed to shareholders as capital gains dividends).
	Dividends from taxable Canadian corporations are exempt.
Tax on taxable dividends received by private corporations	
14. Statutory authority	Income Tax Act; Part IV.
15. Basis	Private corporations' taxable dividends.
16. Rate	33 1/3% (refundable when taxable dividends are paid).
Tax on 1971 undistributed income on hand	
17. Statutory authority	Income Tax Act; Part IX.
18. Basis	Election to prepay special tax on 1971 undistributed income on hand.
19. Rate	15%
Tax on investment income of life insurers	
20. Statutory authority	Income Tax Act; Part XII.
21. Basis	Investment income of life insurers.
22. Rate	15%
Tax on income from Canada of non-resident persons	
23. Statutory authority	Income Tax Act; Part XIII.
24. Basis	(a) Amounts paid to a non-resident:  General rate on management fees, interest, trust income, rents, royalties, alimony, pension payments, rental of motion picture film and dividends.
	(b) Dividends paid by a corporation having a degree of Canadian ownership (25% of voting equity stock).
25. Rates	(a) 25% (b) 20% except where limited by treaty.
26. Exemptions	Interest on certain corporate and government debt securities issued after June 23, 1975 and before December 31,
	1982. Dividends or interest payable by a non-resident-owned investment corporation. Copyrights.
	Payments to holder of a certificate of exemption.  Interest paid to non-residents after January 1, 1977 on mortgages on real property situated outside Canada.
Additional tax on non-Canadian corporations carrying on business in Canada	
27. Statutory authority	Income Tax Act; Part XIV.
28. Basis	Taxable income earned in Canada reduced by tax already paid.
29. Rate	25% (except where limited by treaty).

TABLE 2. Other Important Federal Taxes

Consumption or sales tax	
1. Statutory authority	Excise Tax Act (Part V) R.S.C. 1970, c. E-13 and amendments.
2. Basis	Manufacturers' selling price or duty paid value of imports.
3. Rate	General rate         12%           Schedule V         5%
	Petroleum products: Gasoline Grade 1 \$0.05507 per gallor Gasoline Grade 2 0.04918 " " Gasoline No lead 0.05132 " " Diesel fuel 0.04618 "
4. Comments.	Schedule III (fully exempt articles):  Covering or containers; diplomatic articles; educational material; farm and forest products; foodstuffs; fuel and electricity; health material; marine and fisheries items; mines and quarries material; municipalities production equipment, processing materials and plans; goods manufactured in institutions; clothing and foot wear; construction equipment; transportation equipment; insulation material and other miscellaneous items
	Schedule V (articles taxed at a reduced rate of 5%): Construction materials and equipment for buildings.
Insurance premiums other than marine	
5. Statutory authority	Excise Tax Act (Part I) R.S.C. 1970, c. E-13 and amendments.
6. Basis	Premiums in respect of insurance effected outside Canada.
7. Rate	10% of the net premium paid.
8. Comments.	Does not apply to insurance against life, personal accident, sickness, marine risk or nuclear risk.
Air transportation tax	
9. Statutory authority	Excise Tax Act (Part II) R.S.C. 1970, c. E-13 and amendments.
10. Rate	Canada, Continental United States, St. Pierre and Miquelon, including use of air transportation facilities in Canada
Exice tax	
11. Statutory authority	Excise Tax Act (Parts III and IV) R.S.C. 1970, c. E-13 and amendments.
12. Basis and rate	Part III, articles enumerated in Schedule I:   Lighters.
	Station-wagons, vans and trucks:       \$ 30         5,000 - 5,100 lb. (portion)       \$ 30         5,100 - 5,200 lb. (portion)       40         5,200 - 5,300 lb. (portion)       50         Each additional 100 lb.       60         Motorcycle (displacement greater than 250 c.c.)       5%         Boats and motors exceeding 20 h.p       10%         Private aircraft       10%         Gasoline       \$ 0.10 per gallon         Air conditioner for motor vehicles       \$100

# TABLE 2. Other Important Federal Taxes — Concluded

	Concluded
Excise tax – Concluded	
2 Perio and note	
2. Basis and rate	Part III, articles enumerated in Schedule II: Cigarettes
	100acco-manufactured
	Part IV: Playing cards
	taxes levied on domestic production of wines):
	Champagne and all other sparkling wines
	Wines containing 7% or less alcohol
	Wines containing more than 7% alcohol
Excise duties	
Excise duties	
3. Statutory authority	Excise Act; R.S.C. 1970, c. E-12 and amendments.
4. Basis and rate	(a) Spirits:
	Domestic potable spirits on the strength of proof distilled in Canada
	Medicines, extracts, pharmaceutical preparations, etc. 1.50 " " Approved chemical compositions 0.15 " Spirit sold to druggist for preparation of prescriptions 1.50 " "
	Imported spirits taken into bonded manufactory, in addition to other duties
	Beer
	(b) Tobacco – On domestic production:  Manufactured tobacco excluding cigarettes  Cigarettes weighing not more than 3 lb. per 1,000
	Cigarettes weighing more than 3 lb, per 1,000.
	Cigars
5. Comments	(a) These duties do not apply to spirits used to treat domestic wine or in the manufacture of vinegars or cosmetics.
	(b) Imported tobacco products are not subject to excise duties but the custom duties to which they are liable
	include an element in respect of excise.
Customs import duties	
Customs import duties	
5. Statutory authority	Customs Tariff; R.S.C. 1970, c. C-41 and amendments.
7. Basis and rate	Either ad valorem duty which is based on a percentage of the value of goods imported or specific rates apply under the following categories:
r	(a) British preferential (lowest).
	(b) Most favored nation (under special agreement with various countries).
	(c) General (applicable to countries not included in (a) and (b)).
3. Comments	The tariff schedules are too lengthy and complicated to be summarized here.  The rates applicable to a particular item may be obtained from Revenue Canada, Customs and Excise.
Petroleum export charge	
Statutory authority	Petroleum Administration Act; S.C. 1975, c. 47.
Basis and rate	Oil products exported as of June 1977:
Basis and rate	Oil products exported as of June 1977: Lloydminster type crude
l. Basis and rate	Lloydminster type crude . \$3.90 per barrel Selected crude less than 25° A.P.I. 4.35 "  Condensate 5.60 "
l. Basis and rate	Lloydminster type crude . \$3.90 per barrel Selected crude less than 25° A.P.I. 4.35 " Condensate 5.60 "



# PART II

TAXES LEVIED BY PROVINCIAL GOVERNMENTS



# TAXES LEVIED BY PROVINCIAL GOVERNMENTS

The principal taxes levied by provincial governments are highlighted under three headings: income

taxes, consumption taxes and miscellaneous levies.

## **Income Taxes**

In addition to personal and corporation income taxes, some provincial governments levy capital and gift taxes as well as succession duties. Even though the latter are generally considered as a tax on wealth, they are dealt with here under the general heading of income taxes.

Personal Income Tax

All provincial governments levy a tax on the income of individuals who reside in or, in the case of non-residents, who earn an income from sources within provincial boundaries. The province of residence on the last day of a taxation year, i.e., 31st December, determines the provincial income tax to be paid at the rates prevailing in that province. The tax is calculated on the basis of total income for the year (except business income) regardless of where that income was earned. The portion of business income which is earned in provinces other than the province of residence is allocated among the permanent establishments outside that province and the portion which is earned in the province of residence is attributed to that province.

The rates applicable in each province (as set out in Table 3) are expressed as percentages of "basic federal tax", 1 except in Quebec where rates are based directly on income. Somes provinces employ tax credit and rebate measures to alleviate the weight of their taxes on low income taxpayers. These measures are indicated in Table 3. As noted above, the federal government, pursuant to Tax Collection Agreements, collects provincial personal income tax (Quebec excepted) according to the rates and special legislation established under provincial statutes.

The province of Quebec has its own personal income tax system under which the tax is computed, not as a percentage of the "basic federal tax" as is the case of the other provinces, but by reference to a graduated rate schedule, devised by the province, which takes into

account the federal income tax transfer of 13.5% granted to all the provinces, pursuant to the 1977 federal-provincial fiscal arrangements and the special abatement of 3% in respect of schooling allowances. As already noted, the latter is fully recovered from the Quebec government through payments made by the federal government under various federal-provincial agreements.

In addition to being unlike the other provinces, the Quebec system also differs from the federal system in respect of the lower brackets of taxable income, of personal exemptions and of payments of non-taxable supplementary family allowances, which are made in lieu of the federal adjustments to taxable income for changes in the Consumer Price Index. Most of these differences and the Quebec rate schedule are indicated in Table 3.

## **Corporation Income Tax**

All provinces levy a tax on corporation taxable income derived from activities carried on within their jurisdiction. In provinces, other than Quebec and Ontario, the provincial corporation income tax is levied on the same base as that established for federal corporation income tax purposes and is collected by the federal government pursuant to Tax Collection Agreements. These provinces can, however, modify somewhat the taxable base. Quebec and Ontario, who collect their own tax, follow closely, but not exactly, the federal rules in the determination of corporation taxable income.

## **Capital Taxes**

Four provinces: Quebec, Ontario, Manitoba and British Columbia, levy a tax on the paid-up capital of corporations operating within their boundaries. Paid-up capital broadly includes share capital, surplus, long- and certain short-term debts and reserves except for depreciation, depletion and doubtful debts. In all four provinces, there are special provisions and rates for specified companies, such as telecommunications companies, banks and other financial establishments. Quebec levies, in addition to a capital tax, a tax on places of business.

<sup>&</sup>lt;sup>1</sup> The basic federal tax is the amount computed according to the graduated rate schedule appearing on page 16.

## Gift Taxes and Succession Duties

As of January 1977, only three provinces are still levying and collecting gift taxes and succession duties: Quebec, Ontario and Manitoba. The gift tax is levied on the aggregate taxable value of gifts made by a donor resident in a province as well as a gift of real property situated within a province made by a donor who is not a resident in the province. This tax complements succession duties in the sense that gifts made within a specified period of time prior to death are taken into account for succession duty purposes. The period is five years in

Quebec and Ontario and three years in Manitoba. While tax rates on *inter vivos* gifts are the same in all provinces, succession duty rates as well as criteria used to determine the rates applicable to a succession vary among them. All provinces have special provisions which take into consideration the degree of relationship between the beneficiary and the deceased.

Further details on as well as the currently prevailing rates of capital and gift taxes and succession duties are given in Table 4.

## **Consumption Taxes**

Consumption taxes levied by provincial governments conform to the constitutional limitations requiring that they be not only direct, but that they be exigible only within the province. Although this type of tax is paid by the purchaser, it is collected by the supplier or seller, acting as a government agent, who is generally compensated by a commission on the sales tax collected. The most important of these levies are taxes on retail sales, motive fuels, tobacco, meals, lodging, telephone services and telecommunications.

#### Retail Sales Tax

All provinces, except Alberta, tax at the retail level a wide range of consumer goods and services purchased in or brought into the province. The tax is payable on the selling price of tangible personal property, defined to include certain services, purchased for own consumption or use and not for resale. Each provincial Act, however, specifies a number of goods that are exempt. Exemptions include items related mainly to necessities of life and to materials used in the farming and fishing industries. Table 5 A gives a list of the main exemptions as well as the prevailing rates in each province.

## Motive and Other Fuel Taxes

All provinces and territories impose a tax at a specific rate (i.e., an amount per gallon) on fuels purchased within their boundaries. For purposes of taxation, fuels generally include motive fuels, heating fuel and fuel used for operating a stationary engine. Fuels used in certain types of activities such as farming, fishing, mining or logging are either exempt or are taxed at a preferred rate.

### **Tobacco Taxes**

A tax on sales of cigarettes, cigars and other tobacco products is levied in all provinces and in both

the Yukon and Northwest Territories. Although rates of taxation vary among provinces, they generally apply to a quantity of tobacco products; in a few cases the tax takes the form of an "ad valorem rate" based on the retail price.

## Meals and Lodging Tax

Except as noted, all provinces tax prepared meals priced over a fixed amount and transient accommodations. The exemptions are Alberta in both cases and Saskatchewan and British Columbia in the case of meals only. In most provinces, these are taxed under the retail sales tax Acts, except in Quebec where such taxes are levied under the Meals and Hotels Tax Act and in British Columbia where the tax on transient accommodations is levied pursuant to the Hotel and Motel Room Tax Act.

## Telephone and Telecommunications

All provinces tax local telephone services under their retail sales tax Act. In most cases, long distance telephone calls and other means of telecommunication are also taxed under the retail sales tax Acts. In Quebec and Nova Scotia, however, these services are taxed under the Telecommunications Tax Act and under the Corporation Tax Act respectively. There is no tax on long distance telephone calls and telecommunications in Alberta.

### Taxes on Alcoholic Beverages

Provincial governments derive substantial amounts of revenue through the sale of alcoholic beverages by provincial agencies operating as boards or commissions which exercise monopolistic control over the distribution of these products. The markups of these agencies are tantamount to taxation. The markups are not publicized and thus are not reported in this publi-

cation.<sup>2</sup> In certain provinces beer and/or wine are sold by private retailers as well as by liquor board or commission outlets. In the case of private retailers, licence and other fees are substituted for government markups.

In addition to the markups, sales to individuals are subject to the retail sales tax in most provinces. Generally the rates applicable are those prevailing for general retail sales, but in Ontario and Manitoba special rates apply. Licensees, i.e., owners of establishments

where alcoholic beverages can be sold for on-premises consumption, do not pay the sales tax on their purchases, but act as collecting agents for the tax paid by the purchaser. In Quebec, this latter tax is levied under the Meals Tax Act. The Yukon Territory imposes a surcharge on all liquor purchased at a government liquor store.

Rates of and details on the above-described consumption taxes, other than the general sales tax, are given in Table 5 B.

## Miscellaneous Provincial Levies

Provincial governments resort to a variety of levies related to the exploitation of natural resources within their boundaries, to motor vehicle driving and registration, to admissions to places of amusement and to racetrack bettings. Ontario, Alberta, British Columbia and the Yukon Territory levy premiums and Quebec, a flat rate personal income tax and a payroll tax, to help finance their hospitalization and medical care programs.

Five provinces (Prince Edward Island, New Brunswick, Nova Scotia, Ontario and British Columbia) levy real property taxes. In Prince Edward Island and New Brunswick, where services formerly carried out by municipal authorities (education, health, welfare and administration of justice) were taken over by provincial governments, the real property tax field is shared by

provincial and municipal governments. The provincial governments levy a flat rate real property tax on a province-wide basis and each municipality has its own separate rate as required to meet its expenditure. All collections, however, are made by the provinces which remit the municipal share to individual municipalities. Nova Scotia levies a "land tax" of limited application. In unorganized (non-municipal) areas, Ontario imposes a property tax on the assessed value of any land and fixes a minimum annual amount. British Columbia levies and collects a provincial property tax in non-municipally organized areas at rates varying between farm and wild land.

Details on most of the above-mentioned levies are shown in Table 6.

## 1977 Changes in Provincial Taxes

## 1. Personal Income Tax

As previously indicated in this publication, a net additional tax transfer of 9.143% of basic federal tax was granted to the provinces pursuant to the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977. As a result, most increases in provincial personal income tax rates are determined so as to take full advantage of the larger portion of the income tax field made available to the provincial governments. It should be noted, however, that the higher rates do not necessarily entail an increase of the same magnitude in provincial income tax payable since

these rates are expressed as percentages of a reduced basic federal tax. The rate equivalent to the former provincial tax room of 30.5% has been estimated at about 44%. The following provincial rates are expressed as a percentage of the basic federal tax.

- (a) Newfoundland The conversion to the new rate was set a 56.5% as of January 1, 1977. However this rate was increased to 58.0% on July 1, 1977. Consequently the average tax rate for 1977 is 57.25%, compared with 41% in 1976.
- (b) Prince Edward Island The rate will raise to 50%, effective January 1, 1977 compared with 36% in 1976.

<sup>&</sup>lt;sup>2</sup> For information on the revenue derived by the provinces from the sale of alcoholic beverages, refer to *The Control and Sale of Alcoholic Beverages in Canada*, Catalogue 63-202.

- (c) Nova Scotia By taking up the federal tax room made available, the rate is increased to 52.5% (38.5% in 1976).
- (d) New Brunswick The new provincial rate of 55.5% takes effect on January 1, 1977 as opposed to 40.67% in 1976.
- (e) Ontario The tax rate is adjusted to 44% for 1977, compared with 30.5% in 1976. The taxable income level below which no Ontario tax is payable is increased from \$1,534 to \$1,680 for 1977 and subsequent taxation years.
- (f) Manitoba As of January 1, 1977 the rate is increased from 42.5% in 1976 to 56%. The minimum property tax credit is increased from \$200 to \$225 and the maximum credit, from \$350 to \$375. All provincial income tax is eliminated for taxfilers who pay no federal tax and the cost of living tax credit for families of at least four persons is increased from \$142 to \$154, i.e., by 8.5%.
- (g) Saskatchewan A tax increase from 40% to 45% was anounced late in 1976 applicable to the 1977 taxation year. However, this rate was subsequently revised to 58.5%. The across-the-board tax reduction is raised from \$100 to \$120 for 1977. All provincial income tax is eliminated for taxpayers with less than \$1,709 of taxable income.
- (h) Alberta The revised rate for 1977 taxation year is 38.5%, compared with 26% in 1976.
- (i) British Columbia The revised rate is set at 46%, effective for the 1977 taxation year (31.5% in 1976).
- (j) Quebec The federal income tax abatement granted to Quebec taxpayers is lowered from 24% to 16.5% to take into account a proportionate reduction in basic federal tax. The rate schedule remains the same as in 1976.

## 2. Corporation Income Tax

- (a) New Brunswick Corporate tax on small businesses was lowered to 9% from 10% effective January 1, 1977. The rate for large businesses was raised from 10% to 12% effective the same date.
- (b) Saskatchewan Effective January 1, 1977 businesses that are eligible for the federal "small business deduction" will be taxed at a rate of 12% and those which do not qualify, at a rate of 14%.

## 3. Capital Tax

Ontario — The rate of capital tax is increased from 1/5 of 1% to 3/10 of 1% for large corporations and from 2/5 of 1% to 3/5 of 1% for banks. A tax of \$50 will apply to small corporations with taxable paid-up capital of up to \$50,000 and of \$100, to corporations with taxable paid-up capital of \$50,000 to \$100,000 at the close of their fiscal year. These changes apply to corporations with fiscal years ending after April 19, 1977.

#### 4. Gift Tax

- (a) Ontario The basic exemption is raised from \$5,000 to \$10,000 for the taxation year 1977 and the annual total of exempt gifts per donor is increased to \$50,000 from \$25,000. These changes are effective in 1977 and subsequent years.
- (b) Manitoba Exemptions for individual gifts are increased from \$2,000 to \$5,000 for preferred beneficiaries other than spouses and from \$5,000 to \$6,000 for spouses. The maximum total exemption is increased from \$15,000 to \$25,000.
- (c) Saskatchewan The gift tax is eliminated as of January 1, 1977.
- (d) British Columbia The gift tax is repealed as of January 25, 1977.

#### 5. Succession Duties

- (a) Quebec The policy of phasing out succession duties has been delayed. Estates opened after December 31, 1977 are therefore still subject to a duty of 20%.
- (b) Ontario The duty-free threshold for estates is raised from \$250,000 to \$300,000 and the capital gains tax paid at death becomes a succession duty tax credit effective with respect of deaths occurring after April 20, 1977.
- (c) Manitoba The following amendments are brought to this tax effective April 22, 1977: the share of marital assets of a surviving spouse is exempt from succession duty; the preferred exemption is increased from \$200,000 to \$250,000; the floor below which no estate is taxable is increased from \$50,000 to \$75,000; the collateral exemption is increased from \$25,000 to \$35,000 and is extended for siblings (brothers and sisters of the deceased) from \$25,000 to \$100,000.

- (d) Saskatchewan The succession duty is repealed effective January 1, 1977.
- (e) British Columbia The succession duty is eliminated as of January 25, 1977.

#### 6. General Retail Sales Tax

- (a) Newfoundland Meals of less than \$3.00 per person are exempt from sales tax. Mobile homes will be taxable at 50% of their sales value rather than 100%. Insulation materials are exempt from retail sales tax. All these changes took effect on April 28, 1977.
- (b) Nova Scotia Thermal insulation materials were added to the list of exemptions on August 30, 1976.
- (c) New Brunswick The basic sales tax exemption is increased from \$0.11 to \$0.25 as of March 15, 1977.
- (d) Quebec New residential mobile homes are exempt from 50% of the sale price and used residential mobile homes are entirely exempt. The sale or rental of tools used for the production of moveable goods intended for sale also become exempt from the retail sales tax. The exemption for children's clothing and shoes is abolished. A 2% sales tax is levied on the sale of radio or television broadcasting services used for publicity. All the above changes are effective April 13, 1977.
- (e) Ontario The exemption for prepared meals was increased from \$5.00 to \$6.00 on April 20, 1977. Effective the same date disposable items purchased by the accommodation industry for use in guest rooms are exempt from taxation. The exemption list for energy conservation material and equipment is extended to include a greater range of articles. Effective April 20, 1977, the exemption on the price of admission to places of amusement is increased from \$0.75 to \$3.00.
- (f) Manitoba Insulation materials used in residential construction is exempt effective April 23, 1977.
- (g) British Columbia Steel granaries purchased by farmers for storing grain on their farms are exempt from taxation as of 1977.

#### 7. Motive and Other Fuel Taxes

(a) Saskatchewan – The following changes took effect March 11, 1977: the tax on gasoline is increased

from \$0.15 to \$0.19 per gallon, on diesel fuel from \$0.21 to \$0.266 per gallon and on fuel used for off-highway purposes from \$0.04 to \$0.06 per gallon.

(b) British Columbia – The taxation of propane used for residential heating has been changed from the Social Services Tax Act to the Fuel-Oil Tax Act effective January 25, 1977. This reduces the tax payable from 7% on the selling price to 1/2 of \$0.01 per gallon.

#### 8. Tobacco Taxes

- (a) Newfoundland Effective April 28, 1977 the tax on cigarettes is increased from \$0.01 to \$0.012 per cigarette.
- (b) Nova Scotia The tax on cigarettes is increased from \$0.005 to \$0.006 per cigarette effective March 30, 1977. The tax on cigars and other tobacco products is increased from 10% to 15% as of the same date.
- (c) Ontario The tax on cigarettes is increased from .71 of \$0.01 for each cigarette to .96 of \$0.01 for each cigarette effective June 28, 1977. The tax rate for cut and other tobacco products is increased from \$0.02 per 1/2 ounce to \$0.05 per 1/2 ounce on the same date. Tobacco tax on cigars is also increased as follows:

Retail price	New tax rates
0.07 to 0.10	

(d) Saskatchewan — The tax on cigarettes is increased to 4/5 of \$0.01 per cigarette from 3/5 of \$0.01; the tax on other tobacco, from \$0.02 per 1/2 ounce to \$0.04, as of March 11, 1977. Also on the same date, the tax on cigars is increased as follows:

Cigar value	Tax increases
Up to \$0.10	from \$0.01 to \$0.02
\$0.11 to \$0.20	
Over \$0.20	from 0.04 to 0.08

(e) British Columbia — During March 1976, the tax on cigars was increased as follows

Retail p	rice											ľ	Ve	w tax	rates
\$0.05 of	less			۰										\$0.01	each
0.06 to	\$0.09.													0.02	44
0.10 to	0.13.										٠			0.03	66
0.14 to	0.17.													0.04	6.6
0.18 to	0.25.		4							٠				0.06	6.6
0.26 to	0.33.		٠					٠						0.08	66
0.34 to	0.41.													0.10	66
0.42 to	0.49.					٠					٠	٠		0.12	66
Over \$0.4	19													0.15	44

The tax on other tobacco products per 1/2 ounce increased from \$0.02 to \$0.03.

## 9. Meals and Lodging Tax

Quebec — The tax on meals was increased from 8% to 10% on April 13, 1977. Effective the same date the exemption for meals passed from \$2.00 to \$3.25.

#### 10. Insurance Premium Taxes

Newfoundland – The premium tax increased to 10% from 7% as of April 28, 1977.

### 11. Motor Vehicle Registration and Driving Permits

- (a) Quebec Effective July 1, 1977 all drivers permits are raised to \$60.00 per year from \$3.00 per year, learner's permits from \$1.00 to \$3.00 and snow-mobile driving permits, from \$2.50 to \$5.00. Motor vehicle registration duties will be as follows for the 1978 registration year:
  - (i) For passenger motor vehicles and others defined as such in the **Highway Code**, duties will be per 100 pounds instead of per pound and the weight will be rounded to the nearest 100.
  - (ii) Commercial vehicles will be registered to the gross vehicle weight required by the user and the duty rates will be as follows:

1 to 5,000 lb.: \$40 5,001 to 10,000 lb.: \$10 per 1,000 lb. above 5,000 lb. 10,001 to 20,000 lb.: \$11 per 1,000 lb. above 10,000 lb.

20,001 to 60,000 lb.: \$12 per 1,000 lb. above 20,000 lb.

60,001 lb. and over: \$16 per 1,000 lb. above 60.000 lb.

However, duties to be paid shall not exceed 133 1/3% of the duties payable under the system prevailing in 1977 in the first year (i.e., 1978). and  $166\ 2/3\%$  in the second year.

- (iii) Public and private transport buses will be registered according to their gross weight, i.e., the net weight of the vehicle plus 135 pounds per seat.
- (iv) In addition, municipalities will be allowed to levy municipal registration fees on pleasure or other such vehicles equivalent to 30% of the provincial fees on the vehicle concerned.
- (b) Ontario All the following changes are to take effect for the 1978 registration year.

Passenger car fees for Southern Ontario are increased as follows:

- (i) 4 cylinders or less from \$23 to \$30 6 cylinders — from \$32 to \$45 8 cylinders or more — from \$40 to \$60
- (ii) Registration fee for passenger cars registered for the first time and equipped with an engine having a displacement in excess of 6 500 cubic centimeters (397 cubic inches) will be \$80.
- (iii) Commercial vehicle registration fees in both Northern and Southern Ontario are increased from \$33 to \$60 for weights up to 5,000 lb. and from \$2,021 to \$2,227 for weights between 139,501 and 140,000 lb.
- (iv) Fees in Northern Ontario will be reduced to a flat amount of \$10 for all passenger cars.
- (c) Manitoba As indicated last year, the basis of registration of passenger vehicles was changed from wheel base to curb weight. For 1978 rates will be \$1.00 per 100 lb. up to 4,000 lb. and from \$4 to \$10 per 100 lb. over 4,000 lb. Minimum \$15. The rate for commercial vehicles will range from \$18 (up to 6,000 lb.) to \$733 (109,001-110,000 lb.).
- (d) Northwest Territories The rate for the Mackenzie Highway System increased from \$15 to \$20 for passenger vehicles and the range for the first 10,000 pounds increased by \$5 for commercial vehicles.

#### 12. Environmental Tax

Ontario – A tax of 0.05 on each canned carbonated soft drink was announced to take effect on August 1, 1977. However, the implementation of this tax was postponed to the fall.

#### 13. Land Transfer Tax

Ontario – The 20% tax rate on non-residents will not apply to conveyances of land after April 20, 1977 which are zoned or assessed commercial or industrial.

#### 14. Racetrack Entrance Fees

Quebec – The provincial government has relinquished racetrack entrance fees to municipalities.

## 15. Electric Energy Royalties

Quebec — The royalties, in addition to rental fees, that holders of hydraulic power in the public domain have to pay is increased, as of May 1, 1977, from \$0.15 to \$0.50 per 1,000 kilowatt-hour of electricity generated. The exemption for owners and holders of hydraulic power with an output of less than 10,000 horsepower per six months is removed. Royalties will be indexed annually in accordance with the increase of Hydro-Quebec's average revenue per kilowatt-hour of electricity subscribed to by the industrial sector during the preceding year. Further, the deduction of school tax

paid from the royalties before remittance to the province ceases to be allowed.

## 16. Hospitalization and Medical Care Premiums

- (a) Ontario Full coverage by the province of premiums in respect of welfare recipients and persons aged 65 and over was extended, as of May 1, 1976, to include single taxpayers with taxable income not exceeding \$1,534 and families whose taxable income does not exceed \$2,000. In addition, 50% of premiums is being paid by the province in respect of taxable incomes between \$1,534 and \$2,000 for single persons and between \$2,000 and \$3,000 for families.
- (b) Alberta Effective April 1, 1977, health care insurance annual premiums increased by 10%, i.e., from \$76.80 to \$84.60 for single persons and from \$153.60 to \$169.20 for persons with dependents.

The above-listed changes in provincial taxes are incorporated in Tables 3 to 6. Modifications in most of these taxes can be traced over a six-year period in the historical tables included in Part IV. It should be noted that, contrary to previous years' issue, the historical tables referred to above cover a six-year period instead of a 10-year period. For a longer time span, the reader may refer to prior years' issues.

TABLE 3. Income Taxes Levied by Provincial Governments

			1 ABLE 3. Income	Taxes Levied by Prov	incial Governments	
No.	Category	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
1	Personal income tax  Statutory authority	The Income Tax Act; R.S.N. 1970, c. 163.	The Income Tax Act; R.S.P.E.I. 1974, c. 1-1 and amendments.	The Income Tax Act; R.S.N.S. 1967, c. 134 and amendments.	The Income Tax Act; R.S.N.B. 1973, c. 1-2.	The Taxation Act; S.Q. 1972, c. 23 and amend ments.
2	Basis	   Basic federal tax.	Basic federal tax.	Basic federal tax.	Basic federal tax.	Taxable income of individuals.
3	Rate	58.0%1 (July 1, 1977)	50%	52.5%	55.5%	0% on first \$2,000 of taxable income 0 on \$ 2,000 plus 16% on next \$ 7,000 \$ 1,120 " 9,000 " 18% " " 2,000 1,480 " 11,000 " 20% " " 3,000 2,080 " 14,000 " 22% " " 10,000 4,280 " 24,000 " 24% " " 15,000 7,880 " 39,000 " 26% " " 21,000 13,340 " 60,000 " 28% on excess
4	Comments	-	-			Personal exemptions:  Married taxpayer. \$3,500 Single taxpayer. 1,600 Dependant child non-eligible for family allowances 550 Members of religious order 1,900 Taxpayer aged 65 years or over 1,000
5	Corporation income tax					
J	Statutory authority	Act; R.S.N.	Act; R.S.P.E.I. 1974, c. 1-1 and amendments.	Act; R.S.N.S.	The Income Tax Act; R.S.N.B. 1973, c. 1-2.	The Taxation Act; S.Q. 1972, c. 23 and amendments.
6	Basis	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.
7	Rate	14%	10%	12%	12%/9%	12%
8	Comments	-	-	-	The 9% rate is applicable to small businesses.	-

<sup>1</sup> The effective rate over the 1977 taxation year will be 57.25%.

	TABLE 3, Is	ncome Taxes Levied by Provin	cial Governments		
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	No.
e Income Tax Act; R.S.O970, c. 217 and amendments.	The Income Tax Act (Manitoba); R.S.M. 1970, c. 1-10 and amendments.	The Income Tax Act; R.S.S. 1965, c. 62 and amendments.	The Alberta Income Tax Act; R.S.A. 1970, c. 182 and amendments.	The Income Tax Act; S.B.C. 1962, c. 27 and amendments.	1
sic federal tax.	Basic federal tax.	Basic federal tax.	Basic federal tax.	Basic federal tax.	2
44%	56%	58.5%	38.5%	46%	3
tax credit which is the aggreate of:  i) Property tax credit (lesser of \$180 or occupancy cost), plus 10% of occupancy cost).  c) Sales tax credit (1% of personal exemptions).  i) Pensioner tax credit (\$110 for each person age 65 or over).  is 2% of taxable income.  aximum credit of \$500.)  ividuals whose Ontario income ix does not exceed \$61 are xempt.  payers with taxable incomes  \$1,680 or less are exempt om provincial tax.	Surtax of 20% on provincial income tax exceeding \$2,120.  A property tax credit which is the lesser of:  (a) \$375 less 1% of taxable income (minimum \$225).  (b) Total property taxes or 20% of total rental payments.  A cost of living tax credit which is: 3% of personal exemptions less 1% of taxable income; \$154 for families of four persons or less.  Taxfilers who pay no federal tax are exempt.	Surtax of 10% on provincial income tax in excess of \$2,000.  A tax reduction which is the lesser of the tax payable or \$120.  Taxpayer with taxable incomes of \$1,709 or less are exempt from provincial tax.	A renter credit which is:  (a) \$90 plus 2% of total rent payments less 1/2 of 1% of taxable income.  (b) 20% of rent paid less 1/2 of 1% of taxable income, when the total rent is less than \$500.  The minimum credit is the lesser of \$50 or 20% of total rent paid.  A reduction of the lesser of provincial tax payable or \$80 minus 2% of taxable income, when taxable income is below \$4,000.	A renter credit of \$100 minus  1% of taxable income, for individuals with gross income under \$15,000.  Maximum credit 10% of annual rent.  Minimum credit \$80 for senior citizens.  Taxpayers with taxable incomes of \$1,678 or less are exempt from provincial tax.	4
© Corporations Tax Act; S.O. 972, c. 143 and amendments.	The Income Tax Act (Manitoba); R.S.M. 1970, c. 1-10 and amendments.	The Income Tax Act; R.S.S. 1965, c. 62 and amendments.	The Alberta Income Tax Act; R.S.A. 1970, c. 182 and amendments.	The Income Tax Act; S.B.C. 1962, c. 27 and amendments.	5
table income earned in the tovince.	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.	6
12%/9%	15%/13%	14%/12%	11%	15%/12%	7
9% rate is applicable to small isinesses.	The 13% rate is applicable to small businesses.	The 12% rate is applicable to small businesses.  Portion of tax dependant on the inclusion in the tax base of royalties paid by producers of petroleum, natural gas, metal and industrial mineral is refundable.	Portion of tax dependant on the inclusion in the tax base of royalties paid by producers of petroleum, natural gas, metal and industrial mineral is refundable.	The 12% rate is applicable to small businesses.  Portion of tax dependant on the inclusion in the tax base of royalties paid by producers of petroleum, natural gas, metal and industrial mineral is refundable.	8

				TABLE 4	4. Capital a	nd Gift Taxes and Succession Duties	
No.	Category	New- found- land	Prince Edward Island	Nova Scotia	New Bruns- wick	Quebec	Ontario
	Capital tax						
1	Statutory authority		-	_ !	-	The Taxation Act; S.Q. 1972, c. 23 and amendments.	The Corporations Tax Act; S.O. 1972, c. 143 a amendments.
2	Basis					(a) Paid-up capital of corporations. (b) Places of business in province. (c) Inoperative corporations.	Paid-up capital of corporations.
3	Rates	-			-	(a) 1/5 of 1%. (b) \$50 (\$25 when paid-up capital is less than \$25,000). (c) \$20.	3/10 of 1%.
4	Comments	-		-	-	Other rates and/or bases of taxation apply to certain classes of corporations, i.e., banks, loans, telegraph, railway, gasoline, liquor, investment, mining.  A special tax in the form of an additional 1/3 of	\$50 when paid up capital does not exceed \$50,000 \$100 when paid up capital is greater than \$50,0 but less than or equal to \$100,000.  3/5 of 1% for banks.
				'		1% is levied on telephone and oil refining corporations paid-up capital.	
	Gift tax						
	Statutory authority		-	-	***	The Taxation Act; S.Q. 1972, c. 23 and amendments.	The Gift Tax Act; S.O. 1972, c. 12 and amendmen
	Rates		**	1	-	Aggregate taxable value of gifts made in the year.	Aggregate taxable value of gifts made in the year.
,	Nation.		-	-	_	15% on the first \$25,000	15% on the first \$25,000     \$3,750 on \$2,500 plus 20% on next \$25,000     8,750 " \$50,000 " 25% " " 25,000     15,000 " 75,000 " 30% " 25,000     22,500 " 100,000 " 35% " " 25,000     31,250 " 125,000 " 40% " " 25,000     41,250 " 150,000 " 45% " " 50,000     63,750 " 200,000 " 50% on remainder
8	Exemptions,		-	í	-	Testamentary gifts and gifts taking effect on the death of the donor.	Testamentary gifts and gifts taking effect on the death of the donor.
				,		Gifts to Canadian charitable organizations or to any government in Canada.  Gifts up to \$15,000 a year to a spouse. Gifts up to	Gifts to Canadian charitable organizations or to a government in Canada.  All gifts to a spouse without limitation as to amou
		1		į		\$3,000 a year to any other donee with an aggregate annual maximum of \$15,000. Once-in-a-lifetime deduction of \$75,000 for any farmer making an <i>inter vivos</i> gift of his land or other farm property to one or more of his children.	Gifts up to \$10,000 year to any other dor with an aggregate annual maximum of \$50,00 Exemption of \$75,000 for a gift of farmi assets or the shares of a Canadian family-own small active business corporation.
9	Comments		-			-	-
	Succession duties						
10	Statutory authority	-		_		The Succession Duties act; R.S.Q. 1964, c. 70 and amendments.	The Succession Duty Act; R.S.O. 1970, C. 449 a amendments.
11	Basis		_		-	<ul><li>(a) Aggregate value of succession.</li><li>(b) Share of each individual's inheritance.</li></ul>	(a) Aggregate value of succession. (b) Share of each individual's inheritance.
12	Rates	- 1	- 1	,		(a) On estate: Direct line - 5% to 15%. Collateral line - 4% to 20%. Strangers - 10% to 30%.	(a) On estate: Preferred line - 11% to 28%. Collateral line - 24% to 34%. Strangers - 35% to 70%.
						(b) On individual's share in estate:  Direct line - 1% to 10%.  Collateral line - 1% to 10%.  Strangers - 2% to 5%.	(b) On individual's share in estate: Preferred line - 6.5% to 30%. Collateral line - 8.5% to 26%. Strangers - Nil.
13	Lxemptions					(80% deduction on duties otherwise payable.) \$150,000 if estate is transmitted to direct line	Estates valued at \$300,000 or loss
						beneficiary.	Estates passing to a surviving spouse.
		i				\$10,000 if estate is transmitted to collaterals or strangers.	An additional \$3,000 for each full year that dependant child is under 26 years of age, and
						Amounts derived from contributions towards a pension plan and reimbursements of contributions toward such a plan.	additional \$6,000 for each full year that a orphan or an invalid is under 26 and 71 years age respectively.
				Type of the second		Bequests to Canadian charitable organizations. \$1,000 if transmitted to employee of deceased.	Duty imposed on certain farming assets and shares corporations that qualify for a small busine deduction are forgiven over a period of 10 year Bequests to Canadian charitable organizations and the governments of Canada or the province.
							Individual bequests of \$500 or less. Employees of deceased \$1,000.
14	Comments	-	-			Total rate applied to the individual's share is the sum of (a) and (b).	The total rate applied to the individual's share is the sum of (a) and (b).

	TABLE 4. Capital and Gift Taxes and	Succession Duties		
Manitoba	Saskatchewan	Alberta	British Columbia	No.
The Corporation Capital Tax Act; S.M. 1976			The Corporation Capital Tax Act; S.B.C.	, ,
c. 68.  Paid-up capital of corporations.		_	1973, c. 24 and amendments.  Paid-up capital of corporations.	2
t/5 of 1%.		-	1/5 of 1%.	3
*xemptions include: corporations with paid-up capital under \$100,000; cooperatives, credit unions, family farms and charitable corporations.	-	-	Exemptions include: corporations with paid- up capital under \$100,000; corporations exempt under the Income Tax Act(Canada); credit unions, cooperatives and family farms.	4
The Gift Tax Act; S.M. 1972, c. G-55 and amend-			-	5
ments.  Aggregate taxable value of gifts made in the year.	Red.			6
15% on the first \$25,000 \$ 3,750 on \$ 25,000 plus 20% on next \$25,000 8,750				7
Festamentary gifts and gifts taking effect on the death of the donor.  3ifts to Canadian charitable organizations or to any		-	-	5
government in Canada.  3ifts up to \$6,000 a year to a spouse and up to \$5,000 a year to any other donee with an aggregate annual maximum of \$25,000.				
_	-	_		9
The Succession Duty Act; S.M. 1972, c. S-215 and amendments.	-	-		10
Aggregate value of succession,	-			11
In individual's share in estate: Preferred line – 14% to 50%. Collateral line – 14% to 50%. Strangers – 14% to 50%.	-	-		12
250,000 if estate is transmitted to preferred successors.	**	-		13
50,000 special exemption for spouse.  'hare of marital assets of surviving spouse.  un additional \$1,000 for each year that an infirm				
child is under 71 years of age.  Jp to \$35,000 for collateral successors to the extent that the \$250,000 preferred successors exemption has not been fully "used up".				
100,000 collateral exemption for siblings.  haritable bequest — up to 20% of the aggregate value of property passing at death or any unused portion of the \$250,000 preferred successors exemption.				
equests to Canadian charitable organizations and to any governments in Canada. urvivor benefits under the Canada and Quebec Pension Plans.				
idividual bequests of \$1,000 or less.				14
he rate schedule is incremental therefore the effective rate of tax is less than the maximum marginal rate at each level of taxable inheritance.				

TABLE 5 A. General Retail Sale Taxes Levied by Provincial Governments

-		TABLE 5 A. Genera	Retail Sale Taxes Levie	ed by Provincial Government	nents	1
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
1	Statutory authority	Retail Sales Tax Act; S.N. 1972, c. 56 and amendments.	The Revenue Tax Act; R.S.P.E.I. 1974, c. R-14 and amend- ments.	Health Services Tax Act; R.S.N.S. 1967, c. 126 and amend- ments.	Social Services and Education Tax Act; R.S.N.B. 1973, c. S-10.	Retail Sales Tax Act; R.S.Q. 1964, c. 71 and amendments.
2	Basis	Purchase price of tangible personal property and service.	Purchase price of consumer's goods bought in or brought into the province.	Purchase price of tangible personal property.	Purchase price of tan- gible personal prop- erty.	Purchase price and rent of movable property.
3 4	RateTaxable services	Accommodation; tele- phone; telecom- munication; electric- ity, natural and manufactured gas; construction or rental of tangible personal property; repairs of real or personal property; dry cleaning.	8% Accommodation; telephone and telecommunication services; repair and installation labour; dry cleaning services.	Transient accommodation; telephone service; electricity.	8% Accommodation; telephone and telecommunication services; repairs.	8% Telephone, gas, electricity; repairs.
5	Main exemptions: Food	Food, hospital prepared meals; natural water; prepared meals (\$3 or less).	Food and food prod- ucts for human consumption (ex- cept confections): prepared meals (\$2 or less): soft drinks; natural water.	Food and food prod- ucts for human con- sumption (except confections and soft drinks); prepared meals (\$3 or less); natural water.	Food and food prod- ucts for human consumption (ex- cept confections and soft drinks); prepared meals (\$2 or less); natural water.	Foodstuffs (except candies and soft drinks); beer; weak cider; natural water; prepared meals (\$3.25 or less).
6	Clothing	Clothing and footwear.	Clothing including fabrics and accessories; footwear.	Clothing and footwear.	Clothing and footwear.	-
7	Farming	Repairs to tractors; farm equipment and machinery; livestock or livestock prod- ucts; plants; feed; seed; fertilizer; chemical controls.	Farm implements; machinery and supplies; livestock; plants; feed; seed; fertilizer; chemical controls.	Farm implements; ma- chinery and sup- plies; plants; feed; seed; fertilizer; chemical controls; drainage tiles.	Farm implements; ma- chinery and sup- plies; plants; feed; seed; fertilizer; chemical controls; drainage tiles.	Farmers merchandise; farm implements; ma- chinery and supplies; feed; seed; fertilizer; chemical controls; drainage tiles.
8	Commercial fishing, , , , , ,	Boats; equipment; apparatus and supplies; vessels (not exceeding 300 tons gross).	Boats; equipment and apparatus.	Boats; equipment and apparatus.	Boats; equipment and apparatus.	Boats; equipment and apparatus.
9	Fuel	Gasoline; wood; fur- nace fuel; stove oil; fuel oil, gas and coal for manufacturing electricity.	Gasoline; coal; coke; diesel fuel; stove oil; fuel oil; firewood; electricity; natural and manufactured gas.	Gasoline; coke; coal; fuel oil; natural and propane gas; fire- wood.	Gasoline and fuel oil; coal; coke; fire-wood; electricity; natural and manufactured gas.	Gasoline; kerosene and fuel oil; coal; fire- wood; propane gas for manufacturing.
10	Health	Medicaments on pre- scription; X-ray pic- tures and plates on prescription or	Medicaments; health appliances; house- hold cleaning and first aid supplies;	Medicaments; health appliances; tooth- paste; baby's needs; personal hygiene	Drugs and medicaments on doctor's prescrip- tion; health appli- ances.	Medicaments on doctor's prescription; health appliances.
11		health appliances.  Text books; school books and newspapers published within the province.	hygienic supplies. Classroom supplies; certain books and periodicals.	supplies. School supplies; certain books and periodicals.	Classroom supplies; certain books, peri- odicals; microfilm; photocopy.	Classroom supplies and printed books and periodicals.
12	Production, machinery and processing material	_	Machinery, apparatus, goods for manufacture; clay; sand; gravel; unfinished stone.	Machinery, apparatus; materials; clay; sand; gravel and un- finished stone. Anti- pollution equipment and devices.	Machinery, apparatus and parts; ingredi- ents; clay; sand; grav- el and unfinished stone; telephone equipment; certain building material.	Sale or rental of tools used to produce move- able goods intended for sale.
13	Transportation equipment	Certain aircraft; vessels of more than 300 tons gross; railway rolling stock; motor vehicles under spe-	Certain commercial vessels or boats.	Certain boats; aircraft; railway rolling stock; Indians' motor vehicles and snowmobiles.	Certain boats; aircraft and railway rolling stock.	-
14	Miscellaneous	cific conditions. Sales under \$0.20. Certain household goods and equipment; securities; Olympic coins; containers; trailers for residence in Labrador; certain companies purchase, ships' stores; insulation materials.	Sales under \$0.26; funeral caskets; ships' stores; tobacco; settlers' effects; pets; insulating materials; storm windows and doors; alternate energy sources.	Sales under \$0.25 (other than cigarettes and cigars); funeral caskets; settlers' effects, Olympic coins; ships' store; certain explosives; thermal insulation materials.	Sales under \$0.25; to- bacco; funeral cas- kets; certain explo- sives; ships' stores; settlers' effects; laundry and dry- cleaning services.	Sales under \$0.26; securities; money; tobacco; admissions; fares on transportation systems; certain Indians' purchases.
15	Comments	Mobile homes are taxed on 50% of the sale price.	Liquor purchased through liquor commissions is taxed under the Health Tax Act (see Table 5 B).	_	Special rate of 2% for mobile homes.	New residential mobile homes are taxed on 50% of the sale price and used units are exempt; special rate of 2% on sale of radio or television broadcasting services used for publicity.

TABLE 5 A. General Retail Sale Taxes Levied by Provincial Governments

	TABLE 5 A. General Retail Sale T	axes Levied by Provincial Government	ts	
Ontario	Manitoba	Saskatchewan	British Columbia	No.
ne Retail Sales Tax Act; R.S.O. 1970, c. 415 and amendments.	The Revenue Tax Act; R.S.M. 1970, c. R150.	The Education and Health Tax Act; R.S.S. 1965, c. 66 and amendments.	The Social Services Tax Act; R.S.B.C. 1960, c. 361 and amendments.	1
archase price of tangible personal proper- ty and taxable service.	Purchase price of tangible personal property or service.	Purchase price of tangible personal property or taxable service.	Purchase price of tangible personal property or service.	2
ansient accommodation; telephone service including long distance, telegraph; natural and manufactured gas; fixtures cented separately from real property.	Accommodation; telephone (over \$0.45) and other telecommunications; repairing and cleaning; certain printing, photocopying and microfilming.	Lodging; telephone (over \$0.49) and other telecommunications; electricity; gas (used in internal combustion engine).	Telephone, electricity; natural or manufactured gas.	3
ood products for human consumption except confections and soft drinks); orepared meals (\$6 or less); natural water, liquor, beer or wine for special occasions.	Food and drink for human consumption (except liquor); prepared meals (\$3 or less); natural water.	Prepared meals; natural water.	Food products for human consumption; prepared meals; confections; soft drinks; draught beer, natural water.	5
otwear (less than \$30); children's slothing; used clothing and footwear under \$50).	Children's clothing and footwear; used clothing (less than \$25); used footwear (less than \$5 repair to foot-	-	Children's clothing and footwear; used clothing and footwear.	6
ricultural products including livestock; arm equipment, implements and upplies; plants; feed; seed; fertilizer; themical controls.	wear). Farm horses; farm implements; machine- ry and parts; plants; feed; seed; fertilizer; chemical controls.	Agricultural products including live- stock; farm machinery, implements and supplies; plants; feed; seed; fertilizer; grain; chemical controls.	Farm implements; machinery, parts, supplies; livestock; plants; feed; seed; fertilizer; grain; chemical controls; steel granaries.	7
ats; equipment and apparatus.	Boats; equipment and apparatus.	Equipment.	Boats; equipment and apparatus.	8
el, gasoline; coal; coke; wood; natural as; electricity.	Certain gasoline; motive fuel; natural or manufactured gas; coal, wood.	Fuel, petroleum products; liquefied gases for heating; coal; wood; domestic fuel oil; electricity for heating.	Gasoline; coal; coke; fuel oil; motive fuel; wood fuel.	9
ugs and medicine on prescription; ealth appliances and personal hygiene ems; household cleaning items.	Drugs and medicaments; health appliances; personal hygiene items.	Certain drugs and medicines; health appliances; dentures.	Medicaments on prescription; health appliances.	10
ssroom and student supplies; certain ooks; periodicals.	Books, newspapers and periodicals.	Books, newspapers and periodicals; certain phonograph records; bibles, etc.	School supplies; certain books; periodicals.	11
ocessing materials and physical ingre- ients; soil; clay; sand; gravel and infinished stone; capital works of funicipality; production and construc- on equipment under certain condi- ons.	Goods for manufacture.	Goods for manufacture; clay; earth.	Goods for manufacture.	12
tain aircrafts and buses; vessels of more an 500 tons; railway rolling stock; reet flushers, sweepers and fireghting vehicles.	Certain aircrafts.	-	Vessels of more than 500 gross tons.	13
es under \$0.21 except draught beer.  Tertain works of art; uncancellable amps; money; equipment purchased y a religious institution, trapper or ivertiser; tobacco products; animals ald for household pets; settlers' effects; turnable milk containers; certain ists for stage performance; energy inservation materials and equipment in disposable items used in hotel	Sales under \$0.26 (except liquor); stamps; money; safety equipment; ships' stores; settlers' effects; used furniture (less than \$25); amusement; tobacco; insulation materials used in residential construction.	Sales under \$0.15; money stamps; matches; goods taxed under another Act; tobacco; settlers' effects.	Sales under \$0.15; Ships' stores to commercial vessels over 500 gross tons; X-ray pictures; settlers' effects; containers and labels.	14
test rooms.  cial rate of 10% on liquor, beer, wine rid meals over \$6.	Liquor subject to a special rate of 10%.	_	-	15

		TABLE 5 B. Oth	er Consumption Taxes Le	evied by Provincial Govern	nments	
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
1	Motive and other fuel taxes Statutory authority	The Gasoline Tax Act; R.S.N. 1970, c. 147 and amendments. The Fuel Oil Tax Act; R.S.N. 1970, c. 145.	The Gasoline and Diesel Tax Act; R.S.P.E.I. 1974, c. G-3 and amendments.	Gasoline and Diesel Oil Tax Act; R.S.N.S. 1967, c. 116 and amendments.	Gasoline and Motive Fuel Tax Act; R.S.N.B. 1973, c. G-3.	Fuel Tax Act; S.Q. 1972, c. 30 and amend- ments.
2 3	Basis	Per gallon.  Gasoline and - \$0.27 motive fuel Fuel oil - 0.01	Per gallon.  Gasoline - \$0.21  Diesel fuel - 0.25	Per gallon.  Gasoline fuel - \$0.21 Diesel fuel - 0.27 Aviation fuel - 0.03	Per gallon.  Gasoline - \$0.20 Diesel fuel - 0.23 Aviation fuel - 0.03	Per gallon.  Gasoline - \$0.19 Diesel fuel - 0.25 Aviation fuel - 0.03
4	Comments	Exemptions for gasoline used by governments, by foreign diplomats, in aircraft, in motorized equipment (other than trucks and automobiles) used for agricultural or logging purposes, in sawmills, in fish processing plants, in certain manufacturing plants, in vessels and boats used in trade, in electrical power generating plants, in household appliances, as household fuel, and for mineral exploration and pre-production development.  Exemptions for fuel oil used for domestic purposes or by vessels (except pleasure boats, tugs dredges and scows), manufacturing plants, commercial buildings, and institutions.	Exemptions for aviation fuel, fuel used in offshore fishing fleets, and marked gasoline.  Marked gasoline may be purchased by the federal government, farmers, commercial fishermen, and owners and operators of stationary engines or certain sport establishments.	Exemption for marked gasoline.  Marked gasoline may be used in vehicles of the federal, provincial and municipal governments and in vehicles designed for fire-fighting, road building or off-highway use. It may also be used in farm tractors other than trucks or road tractors.	Exemptions for fuel used for lighting or heating, in farming operations, in the cleaning of fabrics, in stationary engines, in the operation of motor boats and snowmobiles, in tractors other than truck tractors when such vehicles are not used on public highways or in the construction of roads and bridges. Exemption for fuel used by municipal governments.  Refund of tax to flying clubs; based on the number of gallons of aviation fuel consumed in student training programme multiplied by rate of \$0.03 per gallon.	Exemption for petroleum, butane and liquified petroleum gas used for heating, solvents and gasoline for chemical use.  Exemption for fuel oil used for commercial vessel or for chemical use; coloured fuel oil used for farm machinery or fishing operations; bunker fuel, crude oil and coloured fuel oil used other than for an internal combustion engine.  Full tax refunds are allowed on gasoline used in the operation of farm tractors and fishing boats. Refunds of part of the tax are allowed on gasoline used in stationary engines (except gasoline used by farmers and fishermen), pumps to fight forest fires, and production machinery.

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments

	TA	ABLE 5 B. Other Consu	imption Taxes Levied	by Provincial Governm	ents		
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
he Gasoline Tax Act; S.O. 1973, c. 99. he Motor Vehicle Fuel Tax Act; R.S.O. 1970, c. 282 and amendments.	The Gasoline Tax Act; R.S.M. 1970, c. G-40 and amend- ments. The Motive Fuel Tax Act; R.S.M. 1970, c. M220 and amendments.	The Fuel Petroleum Products Act; R.S.S. 1965, c. 67 and amendments.	The Fuel Oil Tax Act; R.S.A. 1970, c. 153 and amend- ments.	Gasoline Tax Act; 1958, R.S.B.C. 1960, c. 163 and amendments.  Motive Fuel Use Tax Act; R.S.B.C. 1960, c. 251 and amendments.  Fuel Oil Tax Act; R.S.B.C. 1960, c. 158 and amendments.	Fuel Oil Tax Ordi- nance: O.Y.T. 1973, c. F-11 and amendments.	Petroleum Products Tax Ordinance; R.O.N.T. 1974, c. P-6.	1
er gallon.	Per gallon.	Per gallon.	Per gallon.	Per gallon.	Per gallon.	Per gallon.	2
asoline - \$0.19 iesel fuel - 0.25 viation fuel - 0.03	Gasoline - \$0.18 Diesel fuel - 0.21 Aviation fuel - 0.05 Propane - 0.18 Locomotive diesel fuel - 0.10	Gasoline -\$ 0.19 Diesel fuel - 0.266 Aviation fuel - 0.04 Other fuels - 0.06	Gasoline - \$0.10 Diesel fuel - 0.12 Aviation fuel - 0.03 Coloured gasoline - 0.03	Gasoline - \$0.17 Diesel fuel - 0.19 Aviation fuel - 0.05 Coloured gasoline - 0.05 Liquefied petroleum gas 0.12 Fuel oil - 0.005 Propane - 0.005	Gasoline - \$0.14 Diesel fuel - 0.16 Aviation fuel - 0.02 Fuel oil used for heating - 0.01	Gasoline - \$0.14 Diesel fuel - 0.15 Fuel oil - 0.03 Aviation fuel - 0.025 Propane and butane - 0.0225	3
xemption for fuel used by federal government and foreign diplomats.  xemptions for farmers, commercial fishermen fuel used for heating and cooking, industrial, commercial and institutional users, those engaged in road maintenance or construction.  tax relief of \$0.13 per gallon is allowed on gasoline used in off-highway vehicles other than "non-working" motor boats and snowmobiles. Gasoline used in "working" motor boats is eligible for the relief.  full refund of tax is provided on fuel used for industrial and commercial purposes.	Exemptions for coloured gasoline used in farm trucks, agricultural machinery, municipal firefighting equipment and in trapping, fishing and prospecting operations.  Exemptions for diesel fuel used in agricultural machinery, municipal firefighting equipment, lighting plants, hospitals, fishing operations and for domestic purposes. Partial or full refund in other circumstances set out in the Act.	Exemptions for fuel used for cooking, lighting, heating and operating domestic appliances.  Exemptions for coloured fuels used in farming operations and control chemicals.  Fuel petroleum products coloured or otherwise identified is exempt from the normal rate but subject to the rate of \$0.06 when used for generating electricity, city-owned buses, industrial purposes or by railways and fishermen.	Exemption for fuel used by the federal government and foreign diplomats and certain industrial purposes.  Exemption of \$0.03 per gallon for domestic appliances, lighting and heating.  Refund of \$0.03 for marked fuel or liquefied petroleum gas used in farming operations.	Exemptions for gasoline used by the federal government or taxed as motive-fuel under the "Motive-fuel Use Tax Act" or brought into the Province in supply-tanks under certain conditions.  Exemptions for coloured gasoline used in farm trucks and fishing vessels by bona fide farmers and commercial fishermen.  Exemptions for Motive-fuel used by the federal government or a bona fide farmer for farming purposes.  A refund of \$0.02 per gallon of diesel fuel used in private passenger-vehicle.  A refund of \$0.12 per gallon of non-coloured gasoline and \$0.07 per gallon of diesel fuel used in private passenger-vehicle.  A refund of \$0.12 per gallon of non-coloured gasoline and \$0.07 per gallon of diesel fuel used in private passenger-vehicle.  A refund of \$0.12 per gallon of pollutant-free liquefied petroleum gas and \$0.14 per gallon of diesel fuel is granted for offiging trucks, for stationary motor vehicle power units used in industry; for certain industrial and commercial vehicles used officiel with the power units used in industry; for certains classes of war veterans.  Coloured gasoline is restricted to specific uses as determined by law.	No tax is payable in respect of fuel oil used in stationary generators of electricity; in farm equipment; for lubricating purposes, for laying or sprinkling on roads; for use as cleaning fluids or solvents, for medical or pharmaceutical purposes, for heating ore as part of mineral extraction process and for fuel oil sold to Government of Canada or visiting armed forces.	No tax is payable in respect of fuel used by hospitals, municipalities, visiting armed forces, for lubricating purposes, for laying or sprinkling on roads or streets, for delivery to D.E.W. stations, or for use as cleaning fluids or solvents.	4

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments — Continued

	TABLE 3 B. O	ther Consumption Taxes Levied by I				
		Newfoundland	Prince Edward Island	Nova Scotia		
No.						
'	Tobacco taxes					
1	Statutory authority	The Tobacco Tax Act; R.S.N. 1970, c. 374 and amendments.	The Health Tax Act; R.S.P.E.I. 1974, C. H-3 and amendments.	Health Services Tax Act; R.S.N.S. 1967, c. 126 and amendments.		
2 }	Basis	By cigarette; by retail price of cigars; other tobacco products by weight.	By cigarette; by retail price of cigars; other tobacco products by weight.	By cigarette; by retail price of ci- gars and other tobacco prod- ucts.		
3	Rate	Cigarettes – \$0.012 each.	Cigarettes – \$0.008 each.	Cigarettes – \$0.006 each.		
		Cigars from:	Cigars from:	Cigars and other tobacco pro-		
		\$0.07 or less - \$0.04 each	\$0.01 to \$0.09 - \$0.01 each	ducts – 15%.		
		\$0.08 to \$0.15 - \$0.05 each	0.10 " 0.15 - 0.02 "			
		0.16 " 0.25 - 0.10 "	0.16 " 0.21 - 0.03 "			
		0.26 " 0.35 - 0.14 "	0.22 " 0.27 - 0.04 "			
		0.36 " 0.45 - 0.19 "	0.28 " 0.33 - 0.05 "			
Î		0.46 up - 0.24 "	0.34 " 0.39 – 0.06 "			
1			0.40 " 0.45 - 0.07 "			
1			0.46 up — 20% "			
•						
		Other tobacco products \$0.05 per 1/2 ounce unit or part thereof.	Other smoking tobacco products \$0.03 per 1/2 ounce or part thereof.			
4	Comments,	There are certain exemptions on tobacco purchases by bona fide tourists and for other categories such as ships' stores. There is no tax on a plug of tobacco.	-	Tax levied under the same statutory authority as the general sales tax.		
	Alcoholic beverage tax					
5	Statutory authority	-	The Health Tax Act; R.S.P.E.I. 1974, c. H-3 and amendments.	-		
6	Basis	-	Retail price.	-		
7	Rate	-	10%	-		
8	Comments			_		

 TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments — Continued

	er Consumption Taxes Levied by Provincial Gov	ernments - Continued	
New Brunswick	Quebec	Ontario	1
			No.
			1
Tobacco Tax Act; R.S.N.B. 1973, c. T-7	Tobacco Tax Act; R.S.Q. 1964, c. 72 and amend-	The Tobacco Tax Act; R.S.O. 1970, c. 463 and	1
	ments.	amendments.	1
By cigarette; by retail price of cigars; by weight for other tobacco products.	By cigarette; by retail price of cigars and other manufactured tobacco.	By cigarette; by retail price of cigars; by weight for	2
	manufactured tobacco.	other tobacco products.	
Cigarettes - \$0.004 each.	Cigarettes - \$0.008 each.	Cigarettes - \$0.0096 each.	3
Cigars \$0.01 for each \$0.05 or part thereof.			
Other tobacco products - \$0.04 per ounce or part	Cigars from:	Cigars from:	
thereof.	\$0.05 to \$0.10 - \$0.01 each.	\$0.01 to \$0.07 - \$0.02 each	
	0.10 up — 25%.	0.08 " 0.10 - \$0.04 "	
	Manufactured tobacco – 25% of retail price.	More than \$0.10 - an additional \$0.02 for each \$0.05 or part thereof of retail price.	
		Other tobacco products \$0.05 per 1/2 ounce or part thereof.	
		part moteor.	
	No tax levied on raw leaf tobacco or on cigars sold		4
	at \$0.05 each, or less.		
			5
			6
			7
	1		8

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments - Continued

	TABLE 5 B. C	Other Consumption Taxes Levied by	Trovincial develorities cont.	
		Manitoba	Saskatchewan	Alberta
No.				
	Tobacco taxes			
1	Statutory authority	The Tobacco Tax Act; R.S.M. 1970, c. T80 and amendments.	The Tobacco Tax Act; R.S.S. 1965, c. 68 and amendments.	The Tobacco Tax Act; R.S.A. 1970, c. 364 and amendments.
2	Basis	By cigarette; by retail price of cigars; by weight for other manufactured tobacco.	By cigarette; by retail price of cigars and by weight for other tobacco products.	By cigarette; by retail price of cigars and by weight for tobacco (including plugs and snuff).
3	Rate	Cigarettes - \$0.008 each.	Cigarettes - \$0.008 each.	Cigarettes - \$0.0032 each.
		Cigars:	Cigars:	Cigars:
		\$0.06 or less - \$0.02 each	\$0.10 or less - \$0.02 each	\$0.07 or less - \$0.01 each
		0.07 to \$0.09 - \$0.03 each	\$0.11 to \$0.20 - \$0.04 each	0.08 to \$0.15 - \$0.02 each
		0.10 " 0.12 - 0.04 "	Over \$0.20 - \$0.08 each	0.16 " 0.22 - 0.03 "
		0.13 " 0.15 - 0.05 "	Other tobacco \$0.04 per 1/2	0.23 " 0.32 - 0.05 "
		0.16 " 0.18 - 0.06 "	ounce or fraction thereof.	0.33 " 0.42 – 0.07 "
		0.19 " 0.21 - 0.07 "		Over \$0.42 - \$0.09 each
		0.22 " 0.24 - 0.08 "		Tobacco \$0.02 per 1/2 ounce or
		0.25 " 0.30 - 0.10 "		fraction thereof.
		0.31 " 0.39 - 0.13 "		
		0.40 " 0.48 - 0.16 "		
		Over \$0.48 - \$0.20 each		
		Other tobacco products - \$0.04 per 1/2 ounce.		
4	Comments	_	_	_
		t		
	Alcoholic beverage tax			
5	Statutory authority		_	_
6	Basis	_	_	and the same of th
7	Rate	us.		_
8	Comments		_	

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments — Continued

British Columbia	Yukon Territory	Northwest Territories	No.
	,		
The Cigarette and Tobacco Tax Act; S.B.C. 1971, c. 7.	Tobacco Tax Ordinance; (First session); 1976, c. 9.	Tobacco Tax Ordinance; R.O.N.T. 1974, c. T-6.	1
By cigarette; by retail price of cigars; by weight for other tobacco products.	By cigarette: by retail price of cigars; by weight for other tobacco products.	By cigarette and retail price of cigars.	, 2
Cigarettes - \$0.0048 each.	Cigarettes - \$0.006 each.	Cigarettes - \$0.0032 each.	3
Cigars:	Cigars:	Cigars:	
\$0.05 or less - \$0.01 each	\$0.05 or less — \$0.01 each	\$0.07 or less - \$0.01 each	
0.06 to 0.09 - 0.02 each	0.06 to 0.10 - 0.02 each	0.08 to 0.15 - 0.02 each	
0.10 " 0.13 - 0.03 "	0.11 " 0.15 0.03 "	0.16 " 0.22 - 0.03 "	
0.14 " 0.17 - 0.04 "	0.16 " 0.20 – 0.04 "	0.23 " 0.32 – 0.05 "	
0.18 " 0.25 - 0.06 "	. 0.21 " 0.30 – 0.06 "	0.33 " 0.42 - 0.07 "	
0.26 " 0.33 - 0.08 "	0.31 " 0.40 – 0.08 "	Over \$0.42 - \$0.09 each	
0.34 " 0.41 - 0.10 "	Over \$0.40 - \$0.10 each		
0.42 " 0.49 - 0.12 "	Other tobacco products \$0.03 per 1/2 ounce or		
Over \$0.49 - \$0.15 each.	part thereof.		
Other tobacco products \$0.03 per 1/2 ounce or			
part thereof.			
	_	_	4
	į		
-	Liquor Tax Ordinance; O.Y.T. 1976, c. 3.	-	5
	1		
	By the bottle or gallon.	-	6
	\$0.80 for each bottle of spirits.  0.80 for each bottle of fortified wine.	-	7
	0.20 for each bottle of table wine.		
	0.10 for each dozen bottles of beer. 0.10 for each gallon of draught beer.		
		_	8

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments - Concluded

		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
No.	-			December	DIVINOVICE	
	Telecommunication tax					
1	Statutory authority	-	_	Corporations Tax Act; R.S.N.S. 1967, c. 61.		Telecommunications Tax Act; S.Q. 1965, c. 28.
2	Basis		·	Toll charge on long- distance telephone calls.		Price of telecommunication.
3	Rate			\$0.07 for each \$0.50 toll charge or part thereof.	-	8%
4	Comments.		_	Tolls under \$0.25 are exempt.	-	Applicable to long distance telephone calls, telegrams and other telecommunications.
	Meals and lodging tax			1		
5	Statutory authority	-	1	_ ]	-	Meals and Hotels Tax Ac R.S.Q. 1964, c. 73 and amendments.
6	Basis	-	-	-	-	Meals priced over \$3.25 alcoholic beverages any aerated water to which essence or syruthas been added and price of lodging.
7	Rate	-	_	-	-	10% for meals over \$3.25; 8% on price of lodging.
8	Comments			-		The tax is not payable by persons employed in an establishment on the price of lodging and meals (not including alcoholic beverages and aerated water) supplied to them by the person who keeps the establishment. Beer served in a tavern is not taxable.

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments - Concluded

Ontario	Manitoba	Saskatchewan	Alberta	Provincial Governments  British Columbia	Yukon Territory	Northwest Territories	N
	1						No.
Min.	-	~	_	-	-	_	1
	_		<u> </u>	-	-	_	2
•		-	-	-		_	3
-	-	-	-	- ]	-	- i	4
-	-	-		Hotel and Motel Room Tax Act; S.B.C. 1971, c. 26.	-		5
-	-	-	-	Purchase price of accommodation in hotels and motels.	-	_	6
- [	- [		-	5%	-	-	7
-	-	_	-	-		-	1 8

TABLE 6. Miscellaneous Provincial Levies

			TABLE 6. Miscellane	ous Provincial Levies		
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
	Amusement taxes					
1	Statutory authority	-	The Entertainments Act; R.S.P.E.I. 1974, c. E-7 and amend- ments.	Theatres and Amusements Act; R.S.N.S. 1967, c. 304 and regulations.	Theatres, Cinematographs and Amusements Act; R.S.N.B. 1973, c. T-5.	Amusement Tax Act; R.S.Q. 1964, c. 76.
2	Basis		Admission price.	Admission price.	Admission price.	Admission price.
3	Rate	_	From:  \$0.81 - \$1.00. \$0.10 Over - 1.00. 0.10 plus \$0.05 extra for each additional \$0.50 or fraction thereof.  Season ticket - 10% of selling price.  Pass or complimentary ticket \$0.10	From: \$0.56 - \$0.70. \$0.05 0.71 - 1.00. 0.10 Over - 1.00. 0.10 plus \$0.05 extra for each additional \$0.50 or fraction thereof.	Theatre rates:  Up to \$0.25\$0.02  From \$0.25 to \$0.30.0.0.3  " 0.31 " 0.40 0.04  " 0.41 " 0.45 0.05  " 0.46 " 0.50 0.06  " 0.51 " 0.60 0.07  " 0.61 " 0.70 0.08  " 0.71 " 0.80 0.09  " 0.81 " 0.90 0.10  " 0.91 " 1.00 0.11  Over 1.00 .11%  Pass\$0.10  Other amusements rates:  Up to \$0.25\$0.02  From \$0.26 to \$0.50 0.05  From 0.51 to 1.00 0.10  and \$0.05 for each additional \$0.50 or fraction thereof in excess of \$1.	10%
4	Exemptions	-	Church, school and mu- nicipal functions; certain other ama- teur or private func- tions.	Religious, educational or charitable functions.	School entertainment; agricultural fairs; religious, educational or charitable functions.	Charitable, agricultural or church functions. Taxes collected by the municipalities.
	Race track taxes					
5	Statutory authority	The Horse Racing (Regulations and Tax) Act; R.S.N. 1970, c. 155 and amendments.	R.S.P.E.I. 1974. c.	Theatres and Amusements Act; R.S.N.S. 1967, c. 304 and regulations.	Theatres, Cinematographs, and Amusements Act; R.S.N.B. 1973, c. T-5.	Licences Act; R.S.Q. 1964, c. 79 and amendments.
6	Basis	Amount of bets placed under the pari mutuel system.	Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pool.
7	Rate	11%	11 1/2%	11%	11% of wagers	7% of ticket evidencing the choice of a single winning horse; 9% on other tickets.
8	Comments	The track operators are paid a remuneration of 3% of the tax collected and remitted.	-	If tax remitted within 7 days, the Race Association may deduct a commission of 7% and 8% depending on certain variables in amounts wagered and dates.	If tax is remitted within 7 days, the Race Association may deduct from 6 1/2% to 9 1/2% of the amounts wagered as commission.	Racetrack entrance fees relinquished to municipalities.

	TABLE 6. Miscellaneous Provincial Levies										
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.				
The Retail Sales Tax; R.S.O. 1970, c. 415 and amendments.	-	-	See: Race track tax.		-	-   	1				
admission price.		-	-		·	Para	2				
'rom: \$3.01 and over 10%.	_	-	T 	-		_	3				
			1								
eligious, charitable or educational functions (by way of refund).	_		-		-	-	4				
he Race Tracks Tax Act; R.S.O. 1970, c. 397 and amend- ments.	The Pari Mutuel Tax Act; S.M. 1974, c. P 12.	The Horse Racing Regulations Act; R.S.S. 1965, c. 384 and amendments.	The Amusements Act; R.S.A. 1970, c. 18 and amendments.	Pari Mutuel Betting Tax Act; R.S.B.C. 1960, c. 274.		-	5				
) Pari mutuel betting pool. ) Amount gained from a winning ticket.	Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pool.	-	-	6				
7%	10%	10%	5%	8%			7				
-	1 1/2% of the rate is kept as commission by the track operators.	-		1% of the amount collected is ear-marked to increase the purses of B.C. bred, born and raised horses.	-		8				

TABLE 6. Miscellaneous Provincial Levies — Continued

				Incial Levies - Continued		
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
	Insurance premium taxes					
	(a) On insurance companies:					
1	Statutory authority	The Insurance Companies Tax Act; R.S.N. 1970, c. 177 and amendments.	The Premium Tax Act; R.S.P.E.I. 1974, c. P-18 and amendments.	Insurance Premiums Tax Act; R.S.N.S. 1967, c. 149.	Premium Tax Act; R.S.N.B. 1973, c. P-15.	Taxation Act; S.Q. 1972, c. 23 and amendments (Part VI).
2	Basis	Gross premiums.	Gross premiums.	Gross premiums.	Gross premiums.	Premium income.
3	Rate	2%	2%	2%	2%	2%
4	Comments	Exemption for premiums on marine insurance and annuity contracts.	Exemption for annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Applicable on all insurance premiums, including fire insurance.
	(b) Fire insurance:					
5		The Insurance Premiums Tax Act; R.S.N. 1970, c. 179.	The Fire Prevention Act; R.S.P.E.I. 1974, c. F-7 and amendments.	Fire Prevention Act; S.N.S. 1976, c. 9.	Fire Prevention Act; R.S.N.B. 1973, c. F-13.	Fire Prevention Act; R.S.Q. 1964 c. 187 and amendments.
6	Basis	Premiums charged.	Gross premiums.	Gross property insurance premium income.	Premium income.	Premium income.
7	Rate	10%	3/4 of 1%	3/4 of 1%	1%	1/4 of 1%
8	Comments	This tax is paid by the policy holder. It is levied on all insurance premiums other than life, accident, sickness, and marine premiums.	-	Rate determined by Lieutenant-Governor in- council.	-	

TABLE 6. Miscellaneous Provincial Levies — Continued								
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.	
The Corporations Tax	The Insurance Cor-	The Insurance Pre-	The Insurance Cor-	(a) Insurance Pre-	Insurance Pre-			
Act; S.O. 1972, c. 143.  The Insurance Act; R.S.O. 1970, c. 224 and amendments.	porations Tax Act; R.S.M. 1970, c. 150 and amendments.		porations Tax Act; R.S.A. 1970, c. 188 and amendments.	miums Tax Act; R.S.B.C. 1960, c. 198 and amendments.  (b) Insurance Act; R.S.B.C. 1960, c. 197 and amendments.	mium Tax Ordinance; O.Y.T. 1976, c. 2.		1	
Gross premiums or	Premium income.	Gross premiums.	Gross premiums.	(a) Gross premiums.	Gross Premiums.	Premium income.	1 2	
deposits.  Gross premiums or reciprocal or interinsurance exchanges.				(b) Premiums paid to unlicensed insurer or reciprocal exchange.				
3%	2%	2%	2%	(a) 2% (b) 5%	2%	2%	3	
iitional 1/2 of 1% on operty insurance.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	Exemptions for marine insurance and annuity contracts.		4	
_	-	The Fire Prevention Act; R.S.S. 1965, c. 365 and amendment.	The Fire Prevention Act; R.S.A. 1970, c. 144 and amendments.	Fire Marshal Act; R.S.B.C. 1960, c. 148 and amendment.	Fire Prevention Ordinance; R.O.Y.T. 1971, c. F-5.	-	5	
-	-	Premium income.	Premium income.	Premium income.	Premium income.	Premium income.	6	
	-	1%	1/3 of 1%	1%	1%	1/2 of 1%	7	
-	-	-	-	_			8	

			TABLE	6. Miscellaneous Provinc	cial Levies — Continued		
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
1	Mining and mineral taxes  Statutory authority	The Mining and Mineral Rights Tax Act; S.N., 1975, c. 68.		(a) Gypsum Mining Income Tax Act; R.S.N.S. 1967, c. 122.  (b) Mineral Resources Act; S.N.S. 1975, c. 12.	Mining Income Tax Act; R.S.N.B. 1973, c. M-15 and amend- ments.	Mining Duties Act; S.Q. 1975, c. 30.	(a) The Mining Tax Act; S.O. 19 c. 140.  (b) Mining Act; R.S.O. 1970, 274.
2	Basis	Net income from mining operations and holding rights to mine.		(a) Net income from gypsum mining or ton of gypsum mined.  (b) Net selling price of ores and minerals mined; net income derived from mining operations.	mining operations and mining profits.	Net profit of mining operations.	(a) Profits from mining operation  (b) Lands used for mining purporand mining rights.
3	Rate	15% mining tax, 20% mineral rights tax on operator or recipient of rent or royalty.		(a) 33 1/3% of net income in excess of \$5,000; or \$0.06 per ton where mining operations are calculated at a fixed rate of \$0.18 per ton.		15% on mining profits of \$150,001 to \$3,000,000; 20% on mining profits of \$3,000,001 to \$10,000,000 25% on mining profits of \$10,000,000 30% on mining profits of \$20,000,000 and over.	(a) 15% on net profit of \$100,0 to \$1,000,000; 20% on profit of \$1,000,001 \$20,000,001 \$20,000,001 \$30,000,000; 35% on profit of \$20,000,001 \$30,000,000; 35% on profit of \$30,000,001 \$40,000,000; 40% on profit over \$40,000,001.

		I ABLE 6. Miscellaneous	Provincial Levies - Continue	d	1	
Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
	[					
The Mining Royalty and Tax Act; R.S.M. 1970, c. M-180 and amend- ments.	(a) The Mineral Taxation Act; R.S.S. 1965, c. 64 and amendments.	(a) The Freehold Mineral Taxation Act; S.A. 1973, c. 89.	(a) Mineral Land Tax Act; S.B.C. 1973, c. 53.		Canada Mining Regulations; P.C. 1961325.	1
The Mineral Acreage Tax Act; S.M. 1972, c. M-135.	(b) The Mineral Resources Act; R.S.S. 1965, c. 50 and amendments.	(b) The Mines and Minerals Act; R.S.A. 1970, c. 238 and amendments.	(b) Mineral Resource Tax Act; S.B.C. 1976, c. 31.		I	1
The Mineral Taxation Act; R.S.M. 1970, c. M-150 and amendments.	(c) The Oil and Gas Conserva- tion, Stabilization and Development Act; S.S. 1973, c. 72 and amend- ments.	(c) Oil and Gas Conservation Act, R.S.A. 1970, c. 267.	(c) Petroleum and Natural Gas Act; S.B.C. 1965, c. 33 and amendments.	1	I	
The Metallic Minerals Royalty Act; S.M. 1975, c. M-125.	(d) The Road Allowance Crown Oil Act; R.S.S. 1965, c. 53.		(d) Coal Act; S.B.C. 1974, c.			
	!		(e) Mining Tax Act; R.S.B.C. 1960, c. 247.			
Net profit of mining operations.	(a) 1. Flat rate per acre for freehold minerals owned by corporations.	(a) Assessed value of principal minerals in free-hold lands.	(a) 1. Tracts outside designated producing areas.	Value of gold shipped from Yukon.	Annual value of output.	2
	2. Assessed value of oil, potash and coal for preceding year.		2. Designated production areas.			
	3. Value of potash ore reserves, mine, plant.					
Every owner of minerals rights on freehold land of 40 acres or more except bona fide farm- ers who are exempt.	(b) 1. Product ton of potash.  2. (i) Oil produced from Crown lands. (ii) Operator share of oil and road allowance oil produced from Crown lands.	(b) Value of production on Crown lands.	(b) Net income from mining operations.			
	3. (i) Net profit of mining companies (metallic minerals and uranium).  (ii) Ton of coal.					
Assessed value of minerals in, on, or under freehold land in a designated production area.	(c) Operator share of oil and road allowance oil produced from freehold rights.	(c) Oil and gas property in designated areas.	(c) 1. Crude petroleum.  2. Natural gas byproducts.  3. Natural gas.			
Net profit of mining	(d) All oil produced.		(d) 1. Metallurgical coal.	1 [	; 	
operations.			2. Thermal coal.			
			(e) Net income.			
6% if income is under \$50,000; 23% on entire income if income exceeds \$50,000 (or a lesser amount as determined by the Lieutenant-Governor-in-Council).	(a) 1. (i) \$0.50 (minimum tax \$1).  (ii) Additional tax on all lands of 500,000 or more acres.  2. Producing tract tax of 8 mills times twice the assessed value; coal is one and a half times.	(a) Rates determined by order in council.	(a) 1. 49,999 acres or less, \$0.25 per acre. \$0,000 - 99,999 acres. \$0.40 per acre. 100,000 - 249,999 acres, \$0.55 per acre. 250,000 - 499,999 acres, \$0.70 per acre. 500,000 - 999,999 acres, \$0.85 per acre. 1,000,000 acres and over - \$1 per acre.	2 1/2%	\$10,001-\$1,000,000: 3% \$1,000,001-\$5,000,000: 5%; \$5,000,001 \$10,000,001 and over: an additional 1% for each additional \$5,000,000, not to ex- ceed 12%.	3
	3. Varies from nil under the average selling price of \$35.50 per short ton to 8.73169 mills on the average selling price of \$90 and over.		2. \$2 per acre.			

			TABLE 6. Mis	cellaneous Provincial I	Levies – Continued		
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
	Mining and mineral taxes – Concluded						
1	Rate	-		(b) Greater of: 2% of net selling price or 15% of net income from mining operations.	_	_	(b) \$0.50 per acre.
2	Comments	The mining tax is levied on the greater of 80% of net income or net income minus rents or royalty payments.	-	-	-	Net profit up to \$150,000 is exempt.	(a) Net profit up to \$100,000 ii exempt.
3	Logging taxes   Statutory authority		Alle	-	-	Taxation Act; S.Q. 1972, c. 23 (Part VII).	-
4	Basis	-	-	-		Income from logging operations.	-
5	Rate	_	-	_	-	10%	_
6	Comments		-		-	Full exemption is allowed where income is less than \$10,000; where income exceeds \$10,000, the tax is paid on the total income including the \$10,000. Tax credit of 1/3 of tax is provided under the provincial Income Tax Act. Two-thirds may be deducted from the federal income tax under the provisions of the federal Income Tax Act.	-

TABLE 6. Miscellaneous Provincial Levies — Continued										
Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.				
b) \$0.10 per acre or fractithereof. c) 1. Eight mills of the assed a value of each w. 2. The monthly increme al tax is calculated follows: value of w. production formont 1.5 equals the assess value x mill rate equals. The monthly cremental tax is in: dition to the basic 8-near tax which is applied the same assessed value to a yearly basing the same assessed value of a yearly basing the yearly ba	\$1.20 per ton.  2. (i) Regular crude oil royalty of up to 25% based on volume of production and valued at the well-head price.  (ii) Royalty of up to 25% based on volume of production and valued at the well-head price.  (iii) Royalty surcharge equal to the difference between the "basic" well-head price and the well-head price is.  (ii) \$5 per ton.  (ii) \$5 per ton.  (iii) \$5 per ton.  (iv) \$5 per ton.	(b) 1. Oil and gas: rates vary between 40% on current production from old oil and gas wells and 28% from new wells.  2. Synthetic oil: 8% of monthly production to 9 million barrels; 20% in excess of 9 million barrels.  3. Sulphur: 16 2/3 of the value of marketable production.  4. Pentanes plus: in accordance with the formula specified in the regulations.  (c) Uniform rate of taxation as will be sufficient to defray 50% of the estimated net expenditure to be incurred by the Oil and Gas Conservation Board.	(b) 17.5% after processing allowances.  (c) Rates of royalty vary with mineral production. No royalty is payable on production contracted to B.C. Petroleum Corporation.  (d) 1. \$1.50 per ton. 2. \$0.75 per ton. (e) 15% where net income exceeds \$10,000.			1				
n operator required pay royalty under the Act is exempt from the payment of royalty the under the Mining Royal and Tax Act.	apply to an owner who he is an individual.  2. Reduced royalty sur-	(a) Assessment for oil and natural gas is 16 mills. (b) 3.4. These royalty rates are applied to the value of production after the processing costs of the Crown's share of natural gas has been deducted.	(b) The Mineral Resource Tax Act repeals the Mineral Royalties Act as of January 1, 1977 and abolishes the incremental royalties from April 1, 1976.  (e) Minerals derived from Crown lands.	Rates established by Order-in- Council.	Exemption for the first \$10,000 of output.	2				
			Logging Tax Act; R.S.B.C. 1960, c. 225 and amendments.	-	_	3				
-	-		Net income.		-	4				
		-	15% where net income exceeds \$10,000.	-		5				
			Full exemption is allowed where net income is less than \$10,000, where net income exceeds \$10,000; the tax is paid on the total net income including the first \$10,000.  Tax credit of 20% of tax is provided under the provincial Income Tax Act. Two-thirds may be deducted from federal income tax under the provisions of the federal Income Tax Act.			6				

TABLE 6. Miscellaneous Provincial Levies — Continued									
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario		
	Motor vehicle regis- trations and driving permits					When so day B.C.	The Highway Traffic As		
1	Statutory authority	The Highway Traffic Act; R.S.N. 1970, c. 152 and amendments.	The Highway Traffic Act; R.S.P.E.I. 1974 c. H-6 and amend- ments.	Motor Vehicle Act; R.S.N.S. 1967, c. 191 amendments and regulations.	The Motor Vehicle Act; R.S.N.B. 1973, c. M-17.	Highway Code; R.S.Q. 1964, c. 231 and amendments.	The Highway Traffic Act R.S.O. 1970, c. 202 and amendments.		
2	Basis	(a) Passenger vehicles: weight of the vehi- cle.	(a) Passenger vehicles: weight of the vehi- cle.	(a) Passenger vehicles: per 100 lb. weight.	(a) Passenger vehicles: per lb. of weight.	(a) Passenger vehicles: per 100 lb. vehicle weight.	(a) Passenger vehicles: number of cy- linders.		
		(b) Commercial vehicles: over 4,000 lb. rate increases per 1,000 lb. (gross weight).	(b) Commercial vehicles: over 3,000 lb. rate increases per 1,000 lb. (gross weight).	(b) Commercial vehicles: over 4,000 lb. rate increases per 1,000 lb. (net weight).	(b) Commercial vehicles: over 4,500 lb. rate increases per 1,000 lb. (gross weight).	(b) Commercial vehicles: over 5,000 lb.; graduated scale per 1,000 lb. (gross weight).	(b) Commercial vehi- cles: gross weight.		
	1	(c) Driver,	(c) Driver.	(c) Driver.	(c) Driver.	(c) Driver.	(c) Driver.		
			(d) Chauffeur.	(d) Chauffeur.	(d) Chauffeur.	(d) Chauffeur.	(d) Chauffeur.		
3	Rate	(a) Passenger vehicles: up to 4,000 lb. – \$30. 4,001 lb. and over – \$40.	(a) Passenger vehicles: not more than 2,049 lb. \$20. Over 2,049 lb. up to and including 4,949 lb. \$1 per 100 lb. 4,950 lb. and over \$50.	(a) Passenger vehicles: \$1.25 per 100 lb. of vehicle weight. Minimum \$15.	(a) Passenger vehicles: \$0.01 per lb.; minimum \$20 plus a fee of \$4 for licence plates.	(a) Passenger vehicles:  1 to 3,000 lb.:  \$1 per 100 lb.  3,001 to 4,000 lb.: \$2 per 100 lb. 4,001 and over: \$3 per 100 lb. (Minimum \$20).	(a) Passenger vehicles 4 cylinders or less \$30. 6 cylinders - \$45. 8 cylinders - \$60: Northern Ontario \$10 flat fee.		
		(b) Commercial vehicles: up to 4,000 lb.: \$27; over 4,000 lb.: from \$33 to \$1,205.	(b) Commercial vehicles: up to 3,000 lb.: \$14; over 3,000 lb.: from \$18 to \$1,267.	(b) Commercial vehicles: up to 4,000 lb.: \$29; over 4,000 lb. to \$5,000 lb. from \$31 to \$634.	(b) Commercial vehicles: up to 4,500 lb.: \$19 over 4,500 lb.: from \$23 to \$1,435.	(b) Commercial vehicles: up to 5,000 lb.: \$40. 5,001 to 10,000 lb.: \$10 per 1,000 lb.: \$11 per 1,000 lb.: \$11 per 1,000 lb.: \$12 per 1,000 lb. 60,001 lb. and over: \$16 per 1,000 lb.	(b) Commercial vehi cles: from \$60 (up to 5,000 lb.) to \$2,227 (139,501 to 140,000 lb.).		
		(c) Driver's and chauffeur's licences — \$15.	(c) Driver's licence — \$6.	(c) Driver's licentee – \$6.	(c) (d) Driver's and chauffeur's li- cences – \$4 plus a \$6 unsatisfied judgement fee.	(c) (d) Driver's and chauffeur's licences - \$12.	(c) (d) Driver's and chauffeur's licences - \$9.		
			(d) Chauffeur's licence - \$7.	(d) Chauffeur's licence - \$7.		1			
4	Comments	(a) Reduced rates apply later in the year.	(a) Reduced rates apply later in the year.	(a) Vehicle registration expires March 31.	(a) Reduced rates apply later in the year which expires Dec. 31.	Driver's and chauf- feur's licences have a two-year term and expiry date is on li- censee's birthday.	Driver's and chauffeur's licences have a three-year term. Engines with displacement in excess of 6 500 cubic centimeters (397 cubic inches) \$80.		
		(b) Driver's and chauffeur's have a three- year term. Expiry date is on licensee's birthday.	(b) Driver's and chauffeur's licences have a one year term. Expiry date is on the last day of licensee's month of birth.	(b) Driver's licence has a three-year term and chauf- feur's licence has a one year term.	(b) Driver's and chauffeur's licences – have a two-year term.				

TABLE 6. Miscellaneous Provincial Levies – Continued										
Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No				
he Highway Traffic Act; R.S.M. 1970, c. 1160 and amendments.	The Vehicles Act; R.S.S. 1965, c. 377 and amendments.	The Highway Traffic Act; R.S.A. 1970, c. 169 and amendments.	Motor-vehicle Act; R.S.B.C. 1960, c. 253 and amendments.	Motor Vehicle Ordinance; R.O.Y.T. 1971, c. M-11 and amendments.	Vehicles Ordinance; R.O.N.T. 1974, c. V-2.	1				
Passenger vehicles: curb weight per 100 lb.	(a) Passenger vehicles: length of wheel base.	(a) Passenger vehicles: length of wheel base.	(a) Passenger vehicles: weight of the vehicle.	(a) Passenger vehicles: length of wheel base.	(a) Passenger vehicles: flat rate varying by regions.	2				
over 6,000 lb. rate increases per 1,000 lb. (gross weight).	(b) Commercial vehicles: over 11,000 lb. (gross weight).	(b) Commercial vehicle: over 3,000 lb. rate increases per 1,000 lb. (gross weight).	(b) Commercial vehicles: gross vehicle weight.	(b) Gross weight of vehicle.	(b) Commercial vehicles: gross weight of vehicle. Region I: Mackenzie Highway System. Region II: Mackenzie Delta. Region III: Remainder of Territories.					
) Driver.	(c) Driver.	(c) Driver.	(c) Driver.	(c) Driver.	(c) Driver.					
) Chauffeur.	(d) Chauffeur.			1	(d) Chauffeur.					
) Passenger vehicles: up to 2,499 lb.: \$15; from 2,500 lb. and up: \$16 to \$150.	(a) Passenger vehicles: \$12 for wheel base not exceeding 110"; \$24 for wheel base of 111" to 120"; \$36 for wheel base of 121" to 130"; \$48 for wheel base of 131" to 140"; over 140" for wheel base \$60.	(a) Passenger vehicles: \$15 for wheel base not exceeding 110", \$20 for wheel base between 111" and 120"; \$25 for wheel base of over 120". Where no wheel base is established; \$20.	(a) Passenger vehicles: up to 500 lb.: \$5; over 500 lb.: from \$10 to \$58. Plus first registration fee of \$1.	(a) Passenger vehicles: up to 100" wheel base \$15; 101" to 120": \$20; 121" and over \$25.	(a) Passenger vehicles: Region I: \$20. Region II: \$10. Region III: \$5.	3				
Commercial vehicles: up to 6,000 lb.: \$18, over 6,000 lb.: from \$24 to \$733.	(b) Commercial vehicles: from 11,001 lb. to 110,000 lb. rates vary between \$75 and \$1,175.	(b) Commercial vehicles; up to 3,000 lb.: \$30; over 3,000 lb. to 110,000 lb.: from \$40 to \$1,860.	(b) Commercial vehicles: up to 3,000 lb.: \$16; from 3,001 lb. to 74,000 lb.: from \$20 to \$830. Additional \$25 per 2,000 over 74,000 lb.	(b) Commercial vehicles: up to 10,000 lb.: \$50; from 10,001 lb. to 126,000 lb.: from \$100 to \$1,120.	(b) Commercial vehicles: Region I: from \$35. to \$65. (up to 10,000 lb.) and \$5 for every additional 1,000 lb. Region II: from \$20 to \$40 (up to 10,000 lb.) and \$3 for every additional 1,000 lb. Region III: from \$10 to \$20 (up to 10,000 lb.) and \$1 for every additional 1,000 lb.					
(d) Driver's and chauffeur's licences - \$6.	(c) (d) Driver's and chauffeur's licences — \$3.	(c) Driver's licence – \$10.	(c) Driver's licence - \$5.	(c) Driver's licence – \$9.	(c) Driver's licence - \$2.					
					(d) Chauffeur's licence - \$3.					
in the year.	Driver's and chauffeur's licences have a one year term. Expiry date is April 30.	(a) Rates reduced by 40% after September 1 and 75% after January 1.	(a) Rates are reduced 1/12 each month to a minimum fee of \$2.	(a) Reduced rates apply later in the year.	(a) Rates are reduced to 40% after October 31.	4				
Driver's and chauffeur's licences issued for two years on birth date.		(b) Driver's licence has a five-year term; expiry date is March 31.	(b) Driver's licence has a five-year term.	(b) Driver's licence has a three year term; ex- piry date on March 31.	(b) Both driver's and chauffeur's licences have one year term.					

TABLE 6. Miscellaneous Provincial Levies — Concluded

	IABLE 6. Miscellaneous Provincial Levies — Concluded									
No.		New- foundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario			
	Hospitalization and medical care premiums and payroll taxes									
1	Statutory authority	-	_	-	-	Health Insurance Act; S.Q. 1970, c. 37 and amendments.	The Health Insurance Act; S.O. 1972, c. 91			
2	Basis	-	-		-	(a) Employer: payroll, (b) Employee: net income.	Monthly premiums.			
3	Rate	-		-	-	(a) 1.5% of payroll without limit. (b) 1.5% of net income, maximum for an employee \$235 and a self employed \$375.	Single \$10 Family \$33			
4	Comments	-	-	-	_	_	The province subsidizes 100% of the premiur of persons with taxable income below \$1,534 for singles and \$2,000 for familie and for persons 65 years of age and ove and 50% of single persons with taxable income between \$1,534 and \$2,000 an families with taxable income between \$2,00 and \$3,000.			
							Hospitalization and medical care premium are combined.			
5	Miscellaneous taxes Name of tax	<u> </u>	_	_	_	Immoveable property transfer	Professional boxing and			
						duties.	wrestling events			
6	Statutory authority	-	_		_	Land transfer Duties Act, Ch. 23, S.Q. 1976.	The Athletics Control Act; R.S.O. 1970, of 35.			
7	Basis	-			_	Value of immoveable property transferred to non-residents.	Gross receipts of professional boxing an wrestling events.			
8	Rate	-	_	-	_	33%	2%			
9	Comments	_	_		_	-	-			
10	Name of tax		_				Land transfer tax			
	Statutory authority			_		_	The Land Transfer Tax Act; S.O. 1974, c. 8.			
12	Basis	_	_	_	_	_	Purchase price.			
	Rate		-	_		-	Up to \$35,000 - 3/10 of 1%. Over \$35,000 - 3/5 of 1%. 20% where land conveyed to non-resident Land zoned or assessed commercial or in dustrial is exempts.			
14	Comments	-		_	_	-	_			
15	Name of tax	-		_	-	-	Land speculation tax			
16	Statutory authority	_	-	-	-	-	The speculation Tax Act; S.O. 1974, c. 17.			
17	Basis	_	_	-	_	-	Increase in the value of "designated land" (al real property in Ontario except Canadian resource property).			
18	Rate	-	_	***	_	_	20%			
19	Comments	_	-	_	_	_	Principal residence, recreational property transfers to the Crown or municipalities expropriations, land for industrial or commercial purposes (other than apartmen buildings) and farming land upon which agriculture is continued are exempted.			

TABLE 6. Miscellaneous Provincial Levies - Concluded

TABLE 6. Miscellaneous Provincial Levies – Concluded						
Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
						110.
-		The Health Insurance Premiums Act; R.S.A. 1969, c. 45 and amendments.	Medical Services Act; S.B.C. 1967, c. 24.	Health Care Insurance Plan Ordinance; R.O.Y.T. 1971, c. II-1.	-	1 1
		Annual premiums.	Monthly premiums.	Monthly premiums.	-	2
	_	Single \$ 84.60 Family \$169.20 A \$5 non-insurable registration fee is levied.	Single \$ 7.50 Family of two \$15.00 Family of three or more \$18.75	Single \$ 4.75 Family of two \$ 9.25 Family of three or more \$11.00	_	3
	_	Persons 65 years of age and over and persons with no taxable income do not have to pay premiums. Hospitalization and medical care contributions are combined.	The hospital insurance program is financed from general tax revenue.  The province subsidizes 90% of the premiums of persons with no taxable income in the previous year and 50% of the premiums of persons with taxable income not in excess of \$1,000 in the previous year.	The Territory subsidizes 100% of the premiums of persons with no taxable income and 50% of the premiums of single persons with taxable income of less than \$500, of families of two with taxable income of less than \$1,000 and of families of three or more with taxable income less than \$1,300.		4
Tax on electricity, telephone service and other services	Motor vehicle insurance tax	Bus mileage tax	-	Fur tax	Fur tax	, 5
e Revenue Act (Part ); R.S.M. 1970, c. 1-140 and amend- tents.	The Motor Vehicle Insurance Premi- ums Tax Act; R.S. S. 1967, c. 19.	The Public Service Vehicles Act; R.S.A. 1970, c. 300 and amendments.		Fur Export Ordinance; R.O.Y.T. 1971, c. F-12 and amendments.	Fur Export Ordinance; R.O.N.T.	6
chase price of tax- ble products which iclude electricity, ertain natural and ianufactured gas, oal and derivatives, eam or hot water.	Gross premiums receivable.	By passenger mile.	-	Per pelt exported.	Per pelt exported.	7
5%	1%	1/15 of \$0.01 per passenger mile on hard surface roads; 2/45 of \$0.01 per passenger mile on gravel roads.	-	Various rates.	\$1	' 8
mestic purchase of ixable product sed for heating welling are exnpt.				Rates are established by regulations with a range from \$0.01 to \$5 per pelt.	-	9
~	-	-	-			10
	-	-				11
-	-		-	-	-	13
_	_	_	-			14.
-	-	-				15
-	-	-	-	-		16
-	-					17
	-	-				18
	-					19



# PART III

TAXES LEVIED BY MUNICIPAL GOVERNMENTS



### TAXES LEVIED BY MUNICIPAL GOVERNMENTS

The principal revenue available to municipalities from own sources is at generated by taxes on the ownership and occupancy of real property sitted within their boundaries. The most important of such taxes are the real operty tax, including grants in lieu of taxes, which accounted for 66% of own surce revenue in 1976, followed by special assessment taxes (7%) and business xes (5%).

### eal Property Tax

The taxation of real property at the local level is generally governed by ovincial legislation. Such legislation empowers municipal councils to levy all property taxes for their own direct revenue requirements and obligates them levy real property taxes for the revenue requirements of other local governet entities, which are also governed by provincial statutes, such as school bards, county or regional governments and special authorities (e.g., consertion authorities or regional health units in Ontario, or regional hospital boards British Columbia.

In some provinces, however, bodies other than municipal councils have xing authority in their own right. In Newfoundland, for example, school x authorities levy and collect school taxes; in Prince Edward Island and New unswick regional school boards may levy property taxes to supplement the ovincial educational program (this authority has not been used to date). Quebec school boards are empowered to levy a real property tax which they are collect directly or they may employ the municipality as their collecting ency. In addition, the Montréal Urban Community levies a special real property tax of \$0.60 per \$100 of the assessment in excess of \$100,000 of all real operties which are included in the assessment roll of the Community and has it lected by member municipalities. In British Columbia district school boards non-municipally organized areas set the rates of real property taxes for nool purposes but collections are made by the province.

The real property tax rate is generally expressed in mills (an amount per ,000 of the base) or in dollars (an amount per \$100 of the base). It is, hower, very difficult to make valid comparisons of rates across Canada. Some of e principal factors affecting rate comparability are:

- ) widely varying methods of assessment of real property value not only among the provinces but also, to a large extent, among local entities within a province;
- ) different ways of determining the fair market value or real value of properties among assessment authorities;
- ) varying practices in establishing the value of taxable assessment at percentages of the total assessed real value;
- J various degrees of development of the municipal system from one province to another:
- uneven delegation of responsibilities to municipalities by the government of each province and, hence, different form and magnitude of the financial assistance that municipalities receive from their respective provincial government.

For reasons such as these, specific rates are not reported in this publication.

wever, the main aspects of the real property tax are set out in Table 7.

### ecial Assessment and Local Improvement Taxes

Proceeds from special assessment and local improvement taxes are the cond most important revenue available to municipalities from own sources, ey usually relate to the supply of specific services.

The first type, special assessment taxes, is generally, but not always, indiction throughout a municipality's territory for financing all or part of services inefiting the entire or a large proportion of the local population. For instance, vices such as the supply of water, street lighting, garbage collection and posal may bear a special tax consisting of either a charge related to the insumption of a particular service (e.g., the consumption of water in the case

of water supply), a fixed amount per ratepayer based on the costs of the service, a special rate against the assessed value of real property, land area or frontage on streets.

The second type of levies, local improvement charges, are established chiefly for financing specific new undertakings (e.g., sidewalks, sewers, water mains, roads, etc.) and are generally, but not always, temporary. In other words, they should theoretically last as long as required to finance all or portions of the initial capital expenditure entailed by the new undertaking. Usually, the initial costs are distributed among the ratepayers receiving direct benefits from the new service. Criteria used to distribute these costs vary, however, among municipalities: in some cases, only the residents of a particular area within the municipality bear such costs while, in other instances, all ratepayers of the municipality are taxed although they may not benefit directly from the related undertaking. In addition, the base upon which costs are distributed may take various forms, such as the total or a portion of the real property assessed value, land area or frontage on streets.

#### **Business Tax**

A business tax is levied on the owners or operators of a business, in addition to the real property tax on the owners of the premises. There are numerous bases upon which business taxes are imposed, among which the most commonly used throughout the provinces are as follows:

- (a) Rental value The business tax rate is applied to a specific or prescribed percentage of the assessed rental value of either the entire real property or, as the case may be, the part used to carry out business. Maximum rates of taxation and percentages of rental value are generally laid down by statutes or fixed by a by-law. Rental value of business real properties is used as the basis for business tax by a large number of municipalities in Manitoba and Alberta and, to a limited extent, in British Columbia; as well as by cities and towns in Quebec and by Saskatoon in Saskatchewan.
- (b) Real property assessment The value on which the business tax is levied is determined through the application of percentages (usually established by provincial legislation) to the assessed value of real property occupied for business purposes. This is the case in Ontario and Newfoundland. In New Brunswick, a special rate, in addition to the property tax rate, is imposed on the proportion of the property used or occupied for business purposes and the property is assessed in the name of the occupier. Both real property and business taxes are collected by the New Brunswick government which pays 100% of the warrant to the municipality. There is no business tax as such in Prince Edward Island. A tax rate applies to all commercial properties which are assessed in the name of the owner.
- (c) Stock-in-trade The tax base is the assessed average value of goods on hand at a specified date. Actual costs, selling prices or any intermediate estimated value may be used to determine the tax base. This type of base for business taxation purposes is used, in varying degrees, in Newfoundland.
- (d) Square footage In this instance, the business tax payable is determined by applying a dollar rate per square foot of the premises' area occupied to carry out business activities. This way of determining the business tax is widely used in Saskatchewan, the Yukon Territory and, to a lesser extent, in Alberta
- (e) Fixed annual fees In most provinces annual fees are levied under the form of a business licence, in addition to the business tax referred to above. They may also be levied in lieu of business taxes.

Business tax rates applied to any one of the above-described tax basis vary among types of business and between cities and other categories of municipal legal organizations, i.e., towns, rural municipalities, villages, etc.

The wide variety of existing arrangements makes interprovincial comparisons of the above-described taxes impractical.

<sup>&</sup>lt;sup>1</sup> For further information of municipal revenue, refer to *Local Government Finance*, alogue 68-203.

	TABLE 7. Main Aspects of the Real Property Tax						
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
1	Statutory author- ity	(a) The Assessment Act; R.S.N. 1970, c. 14 and amendments.  (b) The Local Government Act; S.N. 1972, Act No. 32 and amendments.	(a) Real Property Assessment Act; R.S.P.E.I. 1974 c. R-5 and amendments. (b) Real Property Tax Act; R.S.P.E.I. 1974, c. R-6 and amendments.	(a) The Assessment Act; R.S.N.S. 1967, c. A-14 and amendments.  (b) The Municipal Act; R.S.N.S. 1967, c. 192 and amendments.	Act; R.S.N.B. 1973, c. A-14 and amendments.	(a) Real Estate Assessment Act; S.Q. 1972, c. 50 and amendments.  (b) The Cities and Towns Act; R.S.Q. 1964, c. 193 and amend-	(a) Assessment Act: R.S.O. 1970, c. 32 and amendments.  (b) Municipal Act: R.S.O. 1970, c. 284 and amendments.
		(c) Local School Tax Act; R.S.N. 1970, c. 220 and amendments.	(c) The School Act; R.S.P.E.I. 1974, c. S-2 and amend- ments.	(c) The Education Act; R.S.N.S. 1967, c. 81 and amendments.		(c) Municipal Code; S.Q. 1870, c. 68; revised in 1916 and further amended.	(c) The Provincial Land Tax Act; R.S.O. 1970, c. 370 and amendments.
		(d) The Forest Land (Management and Taxation) Act; S.N. 1974, Act No. 59 and amendments.		(d) The Land Tax Act; R.S.N.S. 1967, c. 161 and amendments.		(d) Quebec and Montreal Town Charters.	(d) Separate Schools Act; R.S.O. 1970, c. 430 and amend- ments.
	ř			(e) Halifax City Charter; S.N.S. 1963, c. 52 and amendments.		(e) Education Act; R.S.Q. 1964, c. 235 and amend- ments.	
2	Method of assess- ment	(b) (c) Assessment at actual value by municipal assessors under the supervision of a provincial appointed director of assessments.  (d) Fair market value of unmanaged land and net present value of managed land.	made by the prov- ince at the mar- ket value or real value of real property consid- ered eitner as commercial or non-commercial.	(a) (c) Assessment made at the actual cash value of property. (d) Value of land assessed, for purposes of taxation, at \$2 an acre. (e) Assessed value as determined by the city assessor.	(a) Assessment made at real and true value of real property by provincial assessors.	(a) (b) (d) (e) Assessment made at real value of property in accordance with the provincial assessment handbook.	(a) Lands and buildings assessed at marker value annually by provincial assessment commissioner. The province is divided into assessment area and assessment districts.
3		(b) Determined by Municipal Councils. (c) Fixed annually by the Authority of the School Tax Area, whether as a real property or as a poll tax or both, who levies and collects it. (d) Persons holding timber rights are subject to a standard land tax not to exceed \$0.21 per acre. An additional tax of 5% on the fair market value of unmanaged land and of 1% on the net present value of managed land.	(a) (b) (c) Determined, levied and collected by the province.	(a) Determined by City Councils. (c) Area rate on the assessed value of property, determined by municipality council, necessary to ievy sums required by trustees of school authorities. (d) Determined and levied by the province on value of taxable land.	(b) Determined, levied and collected by the province: additional rates determined by regional school boards if necessary.  (b) Rate determined annually to provide for local services within a local service district.  (b) Real property — \$1.50 per \$100 of assessment for properties not occupied by the owner, the \$1.50 rate is being phased out in equal amounts over the four-year period, 1975 to 1978 for owner occupied properties.	(b) (c) (d) Determined by Municipal Councils.  (e) A uniform rate of \$1.05 throughout the province, as determined by the Department of Education, but school boards are free to charge an additional rate to meet certain expenditure. School taxes are levied and collected by school boards in most of the province, except in the cities of Montréal, Quebec and Sherbrooke where collection is made on behalf of school boards by the municipality.	(b) Determined annually by Municipal Councils for general and public school purposes.  (c) In unorganized regions, provincial property tax of 1 1/2%; minimum tax in respect of any land: \$6.  (d) Determined by separate school boards but generally collected by the municipality.

TABLE 7. Main Aspects of the Real Property Tax						
Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
) The Municipal Assessment Act; R.S.M. 1970, c. M226 and amendments.  ) The Municipal Act; R.S.M. 1970, c. M225 and amendments.  ) Major cities' individual	(a) The Urban Municipalities Act; S.S. 1970, c. 78 and amendments.  (b) The Rural Municipality Act; S.S. 1972, c. 101 and amendments.  (c) The Local Improve-	(a) The Municipalities Assessment and Equalization Act; R.S.A. 1970, c. 252 and amendments. (b) The Municipal Taxation Act; R.S.A. 1970, c. 251 and amendments.  (c) The School Act;	(a) The Assessment Act; S.B.C. 1974, c. 6 and amendments.  (b) Municipal Act; R.S.B.C. 1960, c. 255 and amendments.  (c) Public School Act;	Taxation Ordinance; O.Y.T. 1972, c. T13 and amendments.	(a) Municipal Ordinance: R.O.N.T. 1974, c. M-15.  (b) Property Taxation Ordinance; O.N.T. 1975, c. T1.	1 1
) The Public School Act; R.S.M. 1970, c. P250 and amendments.	ment Districts Act; R.S.S. 1965, c. 151 and amendments.  (d) The Northern Administration Act; R.S.S. 1965, c. 412 and amendments.	R.S.A. 1970, c. 329 and amendments.  (d) The Electric Power and Pipe Line As- sessment Act; R.S.A. 1970, c. 119 and amendments.	R.S.B.C. 1960, c. 319 and amendments.  (d) Taxation Act; R.S.B.C. 1960, c. 376 and amendments.			:
Act; R.S.M. 1970, c. N100 and amendments.  The Local Government Districts Act; R.S.M. 1970, c. L190 and amendments.	ment Act; R.S.S. 1965, c. 187 and amendments.		(e) Vancouver Charter, S.B.C. 1953, c. 55 and amendments.			
) Lands assessed at full value. Buildings assessed at two-thirds of value. Business assessment is the annual rental value. ) Provincial-municipal assessments and equalize assessments as between municipal assessor to prepare balanced assessment for Public Schools Finance Board.	(a) Land assessed at a percentage of market value; buildings assessed at a percentage of base level value. (b) (c) (d) Land assessed at a percentage of market value; buildings assessed at a percentage of base level value. (e) Taxable assessment for municipal purposes.	(b) Real and personal property is assessed at varying rates and by varying means as outlined in the Department of Municipal Affairs assessment manual.	(a) Lands and improvements appraised at market value and placed on assessment roll at a fraction of the appraised value.  (b) (c) (e) Land assessed at full value and improvements at 75% of full value.	Land assessed at fair value; improvements assessed in accordance with the assessment manual approved by the Commissioner.	(a) Land assessed at fair value; buildings at 2/3 of fair value.      (a) Land and improvements assessed separately at fair actual value.	2
) Determined by municipal councils. ) School tax: determined by municipal councils upon receipt of requisition of funds for school purposes from the provincial government and school boards.  A real property tax, at a rate determined by the province, may be levied and collected in unorganized northern areas by the Commissioner of Northern Affairs.	(a) (b) Determined by Municipal councils. (c) Determined by the Minister of Municipal Affairs. (d) Determined by the administrator of the Act. (e) Requisitions upon municipalities to levy amounts necessary to meet requirements of school boards.	(b) (d) Determined by Councils to meet amounts requisitioned upon them.  (c) School boards must submit, in a prescribed form to municipalities, requisitions stating the amounts of property tax revenue to be raised by each municipality. This provision does not apply to school boards empowered to collect their own school taxes.  (c) Each municipality should pay into the School Foundation Program Fund amounts resulting from applying a rate, not exceeding 32 mills, to the equalized assessment as established under the Act mentioned in (a).	(b) Determined by Municipal Councils for own requirements and those requisitioned upon them by various boards. (c) Determined by school boards and stated in their requisitions upon municipalities or upon the province in unorganized areas. (d) Determined by the province in unorganized area. (e) Determined by City Council.	Determined by Municipal Councils for real properties within municipal boundaries for both municipal and school purposes, and by territorial Councils for real properties in non- municipal organized areas for school pur- poses.	(a) Determined by the council of every district.  (b) Determined by the Commissioner in unorganized areas for general purposes.  (b) In addition the Commissioner may, for school purposes, levy in hamlets a property tax not exceeding 20 mills.	3

TABLE 7. Main Aspects of the Real Property Tax - Concluded

	TABLE 7. Main Aspects of the Real Property 1ax — Concluded						
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
4	Main exemptions.	(b) Crown property; lands and buildings used for educational or religious purposes; lands and buildings used in connection with a provincially subsidized hospital; lands and buildings used for library purposes; historical property; land used solely on a non-profit basis for community games, sports, athletics, etc., property used by a charitable or philanthropic institution. Other tax exemptions voted by Municipal Councils.	(b) Places of public worship; non-profit cemetery or burying ground; public parks; Crown lands; buildings or structures which are part of a purification system but not the land on which they are situated; university lands; public educational institutions, real property owned or used by the Maritime Christian College for religious education; real property owned by the Queen in right of Canada.  (c) Real property of cheese and butter factories; public halls; orphanages; cemeteries; parochial residences; school; churches; hospitals.	(a) Crown property; church property; schools; municipal buildings; school lands; city, town and municipal property; firefighting equipment; property of widows and infants; agricultural society property; farm tools, livestock; tools of tradesmen; fishing equipment; farm produce; animals' pelts; sea products; railway stock; boats; property used in offshore petroleum exploration; Royal Canadian Legion; Boy Scouts; Girl Guides; hospital property; aircraft; village property; bomb shelter. Tax exemptions voted by Legislature.	(a) Real property owned by a church or religious order and used solely for religious, educational or charitable purposes; burying grounds; real property used for educational purposes and owned by universities and affiliated colleges and private schools; property owned by scientific, literary and historical socities; real property owned by charitable organizations or used by voluntary fire associations; real property to the extent of one acre of land used as resident by a self supporting wife with an income of less than \$5,000 where the assessed value does not exceed \$25,000 (maximum exemption \$4,000).	(b) Crown lands; federal, provincial and municipal property; property owned by fabriques, religious, charitable or educational institutions; churches; cemeteries; libraries; subsidized railway; private educational establishments and institutions; registry offices; exhibition property of agricultural societies; property of school municipalities governed by special acts. Tax exemptions voted by Municipal Councils.	(a) Crown lands; Indi lands; church cemeteries; pub educational instutions; philist thropic or religic seminaries; edutional seminari public hospita highways; muni pal property; B Scouts and G Guides; industa farms; charita institutions; cl dren's aid societi scientific or lit ary institutio battle sites; hibition buildi of compani machinery manufacturing farming purpos land used for festry purpos property of te phone and te graph companieligious institutions; navy leagumining buildi and minerals.
5	Comments	(d) Lands under 300 acres, area situated in St. John's or Corner Brook; assessed under the Local Government Act.  (e) Minimum real property tax of \$5. The cities of St. John's and Cornerbrook levy taxes under separate Acts.	All real property including real property owned by the Crown is assessed at its market value.	Persons aged 65 years or over are exempt from property tax. Widow, unmarried women or deserted wife may have an exemption up to \$4,500.	School district and local service district tax rates are fixed annually by the Minister of Municipal Affairs.  The province collects the provincial property tax and also collects the tax which a municipality desires to levy in addition to the provincial tax.	governed by the Municipal Code, assessment is made by County Councils.  Factors of correction are applied to municipal assessments for school tax purposes by	erty tax of levied by the pr ince in unorg ized areas.

TABLE 7. Main Aspects of the Real Property Tax — Concluded

The best of the real floperty fax — Concluded						
Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
wn lands, Indian lands; unicipal lands, public did private school lands and buildings; hospitals; lucational institutions; surches; Sunday schools; sildings used for relious purposes; public arying grounds; lands and sildings of old ageomes, agricultural societies: colleges and minaries; charitable stitutions; Y.M.C.A.; W.C.A.; Y.M.H.A.; munipal buildings for comunity purposes.	Crown property, Indian lands; place of public worship and connected land under certain conditions; cettain property owned and occupied by a school district or school unit; hospital buildings and ground under certain conditions; Y.M.C.A.; Y.W.C.A.; law school established and maintained by the Benchers of the Law Society of Saskatchewan; municipal property; highways, lane, park; public libraries; building and grounds owned by a branch of the Royal Canadian Legion Saskatchewan Command; veterans and disabled veterans' association of Saskatchewan; municipal property disabled veterans' association of Saskatchewan; the Canadian Mental Health Association; war memorial and ground connected therewith; Child Welfare Society; Agricultural Society; buildings owned by a rural municipality and used for municipal purposes.	Land and improvements owned by a municipality or the Crown; school buildings and school lands owned by a school district or school division; parcel of land held by or for the use of any religious body; building used for public worship or religious education; cemeteries; land of a provincially subsidized hospital; minerals; farm buildings; growing crops; irrigation works held by an irrigation district; property held by a public college or any educational institution; land and improvement vested in a library board.	Crown lands; municipal lands; public libraries; property vested in school boards; Indian lands; cemeteries; churches; homes for the aged; public hospitals; private education and institutions; fruit trees; farm improvements; parks or recreation facilities owned by another municipality; parks property used for athletic or recreational purposes; charitable organizations; agricultural and horticultural societies; historical sites; property used and land acquired for water purposes; fixture, machinery, etc., removable by tenants.	Crown land; land for the public use of the Territory; land used by municipalities; universities; libraries; hospitals, mental institutions, orphanages and homes for the aged supported entirely by the Territory; land used for cemeteries; land and buildings held by or for the use of divine service, public worship or religious education.	Property owned by a literary or scientific institute or society or orphanage, university, hospital, public library, asylum or home for the aged or infirm; property owned by a municipal district or held by the Crown; property used as a public or separate school; church; cemeteries.	The state of the s
		Pipelines, electric works and transmission lines are assessed under the Electric Power and Pipe Line Assessment Act; R.S.A. 1970, c. 119 and amendments.	Taxes are levied on land alienated from the railway company under the Esquimalt and Nanaimo Railway Belt Land Tax Act; R.S.B.C. 1960, c. 133.	A school tax is levied by the territorial government on the assessed value of real property outside a municipality's boundaries.  There is a basic rate of school tax determined by the territorial Commissioner, collected by the municipalities and paid to the territorial treasurer.	In hamlet an education tax is levied on the assessed value of all lands by the territorial government.	1 5



# PART IV

HISTORICAL TABLES OF THE MOST IMPORTANT TAXES

TABLE I, Personal Income Taxes Levied by the Federal Government, 1972 to 1977

	THE LITERAL AND AND AND AND AND AND AND AND AND AND	e Taxes Levied by the Federal Government, 1	
No.	1972	1973	1974
4	RATES  "Basic" personal income tax (as revised in 1971 for 1972 taxation year):  17% on the first \$500 of taxable income  \$ 85 on \$ 500 plus 18% on next \$ 500  175 " 1,000 " 19% " " 1,000  365 " 2,000 " 20% " " 1,000  565 " 3,000 " 21% " " 2,000  985 " 5,000 " 23% " " 2,000  1,445 " 7,000 " 25% " " 2,000  1,945 " 9,000 " 27% " " 2,000  1,945 " 9,000 " 31% " " 2,000  2,485 " 11,000 " 31% " " 3,000  3,415 " 14,000 " 35% " " 10,000  6,915 " 24,000 " 39% " " 15,000  12,765 " 39,000 " 43% " " 21,000  21,795 " 60,000 " 47% " excess	15% on the first \$500 of taxable income \$ 75 on \$ 500 plus 18% on next \$ 500 165 " 1,000 " 19% " " 1,000 355 " 2,000 " 20% " " 1,000 555 " 3,000 " 21% " " 2,000 975 " 5,000 " 23% " " 2,000 1,435 " 7,000 " 25% " " 2,000 1,435 " 7,000 " 25% " " 2,000 2,475 " 11,000 " 31% " " 3,000 3,405 " 14,000 " 35% " " 10,000 6,905 " 24,000 " 39% " " 15,000 12,755 " 39,000 " 43% " " 21,000 21,785 " 60,000 " 47% " excess	12% on the first \$500 of taxable income \$ 64 on \$ 533 plus 18% on next \$ 533 160 " 1,066 " 19% " " 1,066 362 " 2,132 " 20% " " 1,066 576 " 3,198 " 21% " " 2,132 1,023 " 5,330 " 23% " " 2,132 1,514 " 7,462 " 25% " " 2,132 2,047 " 9,594 " 27% " " 2,132 2,622 " 11,726 " 31% " " 3,198 3,614 " 14,924 " 35% " " 10,660 7,345 " 25,584 " 39% " " 15,990 13,581 " 41,574 " 43% " " 22,386 23,207 " 63,960 " 47% " excess
3 4 5	Married taxpayer         \$2,850           Single taxpayer         1,500           Dependant child 16 years of age         300           Other dependants         550           Taxpayer aged 65 years or over.         1,000	\$3,000 1,600 300 550 1,000	\$3,19 1,70 32 58 1,06
i	DEDUCTIONS		
American Landson Landson	Employment expenses up to the lesser of 3% of employment income or \$150.  Charitable donations up to 20% of net income. Gifts to the federal and provincial governments.  Medical expenses in excess of 3% of net income.  An optional standard deduction of \$100 in lieu of claiming charitable donations and medical expenses.  \$1,000 for blind persons and persons confined to a bed or wheelchair.  Payments of supplement under Old Age Security Act.  \$50 for each month in attendance at a post-secondary institution for students and/or supporting individuals.  Non-capital losses sustained in any of the five preceding years, net capital losses up to the amount of any taxable gains (maximum of \$1,000 may be deducted from other sources of income) and restricted farm losses of prior years to the extent of farm income.	Same as 1972	\$1,066 for blind persons and persons confined to a bed or wheelchair. Interest income up to \$1,000. Home Ownership Savings Plan up to \$1,000 is one year. Other deductions remain unchanged.
	General averaging when income exceeds 120% of average income of the preceding four years or 110% of income for the immediately preceding year.  Averaging for farmers or fishermen for a block of five years.  24% tax abatement for income earned in Quebec in compensation for the province's opting-out of certain shared-cost programs.  A general 3% reduction of basic federal tax (minimum of \$200 and maximum of \$500).  A credit for dividends from Canadian corporations. (The amount of dividends received is increased by 33 1/3% and 20% of the so increased dividend is allowed as a credit against tax.)  An inter vivos trust (other than mutual fund trust) established after June 17, 1971 which is taxed at the greater of 39% or rates applicable to individuals.  A foreign tax credit is applicable to foreign non-business income and income from business carried on in a foreign country.	A general 5% reduction of basic tax (minimum reduction \$100, maximum \$500) replaces the 1972 reduction of 3%.  Other reductions remain unchanged.	A portion of political contributions to regitered parties and candidates up to a maximum of \$500.  Other reductions remain unchanged.
9	SPECIAL TAX  30% on income earned in the Yukon and Northwest Territories and in another country.	Same as 1972	Same as 1973
	SURTAX		
10	Rate	-	-

TABLE I. Personal Income Taxes Levied by the Federal Government, 1972 to 1977

TABLE I. Personal Income Taxes Levied by the Federal Government, 1972 to 1977							
1975	1976	1977	No.				
9% on the first \$587 of taxable income  \$ 53 on \$ 587 plus 18% on next \$ 587   158 " 1,174 " 19% " " 1,174   382 " 2,348 " 20% " " 1,174   616 " 3,522 " 21% " " 2,348   1,109 " 5,870 " 23% " " 2,348   1,649 " 8,218 " 25% " " 2,348   2,236 " 10,566 " 27% " " 2,348   2,870 " 12,914 " 31% " " 3,522   3,962 " 16,436 " 35% " " 11,740   8,071 " 28,176 " 39% " " 17,610   14,939 " 45,786 " 43% " 24,654   25,540 " 70,440 " 47% " excess	6% on the first \$654 of taxable income  \$ 39 on \$ 654 plus 18% on next \$ 653 157 " 1,307 " 19% " " 1,307 405 " 2,614 " 20% " 1,307 667 " 3,921 " 21% " " 2,614 1,216 " 6,535 " 23% " " 2,614 1,817 " 9,149 " 25% " " 2,614 1,817 " 9,149 " 25% " " 2,614 3,176 " 14,377 " 31% " " 3,921 4,392 " 18,298 " 35% " " 13,070 8,966 " 31,368 " 39% " " 19,605 16,612 " 50,973 " 43% " " 27,447 28,414 " 78,420 " 47% " excess	6% on the first \$710 of taxable income  \$ 43 on \$ 710 plus 16% on next \$ 709 156 " 1,419 " 17% " " 1,419 397 " 2,838 " 18% " " 1,419 653 " 4,257 " 19% " " 2,838 1,192 " 7,095 " 21% " " 2,838 1,788 " 9,933 " 23% " " 2,838 2,441 " 12,771 " 25% " " 2,838 3,150 " 15,609 " 28% " " 4,257 4,342 " 19,866 " 32% " " 14,190 8,883 " 34,056 " 36% " " 21,285 16,546 " 55,341 " 39% " " 29,799 28,167 " 85,140 " 43% " excess	1				
\$3,522 	\$3,921 2,091 392 719 1,307	\$4,260 	2 3 4 5 6				
\$1,174 for blind persons and persons confined to a bed or wheelchair.  Interest and Canadian dividend income up to \$1,000.  \$1,000 for pension income other than universal pension plans.  Other deductions remain unchanged.	\$1,307 for blind persons and persons confined to a bed or wheelchair.  Other deductions remain unchanged.	Employment expenses up to the lesser of 3% of employment income or \$250. \$1,420 for blind persons and persons confined to a bed or wheelchair. Interest, dividends and capital gains on Canadian securities up to \$1,000. Non-capital losses sustained in any five preceding years, net capital losses up to the amount of any taxable capital gains (maximum \$2,000) may be deducted from other sources of income and restricted farm losses of prior years to the extent of farm income. Other deductions remain unchanged.	i   7				
A general 8% reduction of basic federal tax (minimum \$200, maximum \$500) replaces the 1973 reduction of 5%. Other reductions remain unchanged.	Same as 1975	16.5% tax abatement for income earned in Quebec in compensation for the province's opting-out of certain shared-cost programs.  A general 9% of tax payable with a minimum of \$200 and a maximum of \$500.  25% of the taxable amount (actual amount plus one third of this amount) of dividends from taxable Canadian corporations.  Other reductions remain unchanged.	8				
Same as 1974	Same as 1975  10% on tax payable exceeding \$8,000.	43%	9				

TABLE II. Personal Income Taxes Levied by the Province of Quebec, 1972 to 1977

No.	1972	1973	1974
No.	RATES		
1	10% on first \$2,000 of taxable income  \$ 200 on \$ 2,000 plus 11% on next \$ 1,000 310	Same as 1972	Same as 1973
	Health insurance tax: 0.8% of net income; maximum: \$125 if at least 3/4 of net income is salary and \$200 otherwise.	Same as 1972	Same as 1973
	EXEMPTIONS		
2	Married taxpayer . \$2,850 Single taxpayer . 1,500 Child 16 years of age and over dependant on taxpayer . 550 Taxpayer aged 65 years of age or over . 650	Same as 1972	Same as 1973, except for the following: Taxpayer aged 65 years of age or over \$1,0
	Low income: No tax is payable if income does not exceed \$2,000 if single or \$4,000 if married.	Income levels raised to \$2,500 and \$5,000.	Income levels raised to \$2,600 and \$5,200. Single and married taxpayers whose income between \$2,600 and \$2,850 and \$5,200 a \$5,785 respectively, are to pay taxes higher than 50% of the difference betwee their net income and the amount of the exemptions.
	DEDUCTIONS		
3	Employment expense: Certain deductions are available for some expenses related to employment, such as the purchase of certain tools and special clothing, moving expenses and child care expenses.	Employment expense	\$1,000 for blind persons and persons confuto a bed or wheelchair.
	\$650 for blind persons and persons confined to a bed or wheelchair.	Other deductions remain unchanged.	Interest income \$1,0
	Union or professional dues: No restriction.		Other deductions remain unchanged.
	Charitable donations: Up to 10% of income.		
	Medical expenses:  Over 3% of income or standard deduction of \$100 in lieu of claiming deductions for charitable donations and medical expenses.		
	TAX CREDIT		
4	Credit for dividends from Canadian corporations: 50% of corresponding federal credit.	Same as 1972	Same as 1973

TABLE III. Personal Income Taxes Levied by the Provinces Other than Quebec, 1972 to 1977

No.	Province	1972	1973	1974
1	Newfoundland	36.0%	36.0%	40.0% (July 1)
2	Prince Edward Island	36.0%	36.0%	36.0%
3	Nova Scotia	38.5%	38.5%	38.5%
4	New Brunswick	41.5%	41.5%	41.5%
	Ontario	29.585%	30.5%	30.5%
6	Manitoba	42.5%	42.5%	42.5%
	Saskatchewan	37.0%	40.0%	40.0%
8	Alberta	36.0%	36.0%	36.0%
9	British Columbia	30.5 %	30.5%	30.5%

TABLE II. Personal Income Taxes Levied by the Province of Quebec, 1972 to 1977

1975	1976	1977	No.
on first \$2,000 of taxable income 0 on \$2,000 plus 16% on next \$7,000 ,120 " 9,000 " 18% " " 2,000 ,480 " 11,000 " 20% " " 3,000 ,080 " 14,000 " 22% " " 10,000 ,280 " 24,000 " 24% " " 15,000 ,880 " 39,000 " 26% " " 21,000 ,340 " 60,000 " 28% " excess	Same as 1975	Same as 1976	1
Same as 1974	Health insurance tax: 1.5% of net income; maximum; \$235 if at least 3/4 of net income is salary and \$375 otherwise.	Same as 1976	
ne as 1974, except for the following: arried taxpayer	Same as 1975	Same as 1976	2
relief abandoned since the new income tax meatres exempt from taxation income of \$3,931 for agle taxpayers and \$5,957 for married taxpayers.	Same as 1975	Same as 1976	,
ployment expense	Same as 1975	Same as 1976	3
			1
Same as 1974	Same as 1975	Same as 1976	4

TABLE III. Personal Income Taxes Levied by the Provinces Other Than Quebec, 1972 to 1977

111000			
1975	1976	1977	No.
40.0%	42.0% (July 1)	58.0% (July 1)	1
36.0%	36.0%	50.0%	2
38.5%	38.5%	52.5**	3
41.5%	40.6%	55.5%	4
30.5%	30.5%	44.0%	5
42.5%	42.5%	56.0 %	6
40.0%	40.0%	58.5%	7
26.0%	26.0%	38.5 %	8
20.0 c 30.5%	32.5% (July 1)	46.0%	9

TABLE IV. Federal Corporation Income Tax, 1972 to 1977

No.		1972	1973	1974
1 2	General rate	50% 50%	49% 49%	48% 50%
3	Deductions	Charitable donations up to 20% of income.  Gifts to the federal and provincial governments.  Non-capital losses sustained in any of the five preceding years, net capital losses and restricted farm losses of prior years to the extent of a corporation's net capital gain and farm income respectively.  Taxable dividends from a taxable Canadian corporation and from a controlled subsidiary resident in Canada with certain minor exceptions.  (Dividends received from non-resident or foreign corporations are not generally deductible.)	Same as 1972	Same as 1973
4	Tax reductions and credits	10% abatement of taxable income earned in a province.  7 reduction of tax payable.  25% for Canadian-controlled private corporation on first \$50,000 of active business income per year to the overall limit of \$500,000.  Foreign tax credit.  A logging tax deduction which is the lesser of 2/3 of logging taxes paid to a province or 6 2/3% of income from logging operations.	Same as 1972 except for the following: The reduction for Canadian-controlled private corporation is lowered to 24%. Introduction of a 9% reduction on manufacturing and processing profits.	Same as 1973 except for the following: The reduction for Canadian-control private corporation is lowered to 23% the first \$100,000 of business inco per year (maximum \$500,000). The reduction on manufacturing a processing profits is lowered to 8%. 15% reduction for mineral product profits. 12% reduction for oil and gas prod tion profits. Political contributions tax credit. The 7% reduction of tax payable repealed.
5	Special rules	(i) Private corporations:  A refund of 25% of corporate taxes paid in respect of Canadian investment income (other than dividends) when taxable dividends are paid to share-holders.  (ii) Investment corporations:  Investment income qualifies for 25% reduction in normal corporate rates; realized capital gains are taxed at normal corporate rates (refundable when gains are distributed to share-holders as capital gains dividends); dividends from taxable Canadian corporations are exempt.	Same as 1972	Same as 1973
6	Surtax	None	None	10% on corporate profits earned from May 1, 1974 to April 30, 1975 (do not apply to investment, mortgage vestment, mutual fund, non-reside owned investment corporations or vestment income of private corporations, manufacturing, processing troleum or mining profits and Canadic controlled private companies).

TABLE V. Provincial Corporation Income Taxes, 1 1972 to 1977

	TABLE V. Hovincial Corporat	1011 Income Taxes, 19/2 to 19//	
No.	1972	1973	1974
1 Newfoundland	13% 10% 10% 10% 12% 12% 13% 10% 10%	13% 10% 10% 10% 12% 12% 13% 12% 13% 12% 11%	13% 10% 10% 10% 12% 12% 13% 12% 11%

<sup>1</sup> In all provinces, the tax base is the same as the federal income tax base, except in Quebec and Ontario where there are minor differences.

TABLE IV. Federal Corporation Income Tax, 1972 to 1977

## Same as 1974 except for the following:  Same as 1974 except for the following:  The reduction for Canadian-controlled private corporation is lowered to 22%.  The reduction for Canadian-controlled private corporation is lowered to 22%.  The reduction on manufacturing and processing the reduction on manufacturing and processing to 5% investment tax credit is applicable to new buildings, machinery and equipment acquired between June 24, 1975 to July 1, 1977.  Same as 1975 except for the following:  The reduction for Ganadian-controlled private corporation is lowered to 22%.  The reduction for manufacturing and processing profits is lowered to 5%.  The 15% reduction for mineral production is no longer applicable.  The 12% reduction for oil and gas production profits is no longer applicable.  The 12% reduction for oil and gas production profits is no longer applicable.  The 12% reduction for oil and gas production profits is no longer applicable.  The 12% reduction for oil and gas production profits is no longer applicable.  The 12% reduction for oil and gas production profits is no longer applicable.  The 12% reduction for oil and gas production profits is no longer applicable.  The 12% reduction for oil and gas production profits is no longer applicable.  The 12% reduction for oil and gas production profits is no longer applicable.  Same as 1976 except for the following:  Same as 1976 except for the following:  Same as 1976 except for the following:  The reduction for Ganadian-controlled private corporation is not longer applicable to new buildings.  The reduction for first slisuous corporation for the reduction for the reduction for the following:  Same as 1976 except for the following:  Same as 1976 except for the following:  Same as 1976 except for the following:  Same as 1976 except for the following:  The reduction for first slisuous corporation for first slisuous corporation for the reduction for th	1975	1976	1977	No
me as 1974 except for the following:  The reduction for Canadian-controlled private corporation is lowered to 22% on first \$150,000 (maximum \$750,000).  The reduction on manufacturing and processing profits is lowered to 12% on first \$150,000 (maximum \$750,000).  The reduction on manufacturing and processing profits is lowered to 7%.  The reduction on manufacturing and processing profits is lowered to 1%.  The reduction on manufacturing and processing profits is lowered to 5%.  The 18% reduction for mineral production is no longer applicable.  The 12% reduction for oil and gas production profits is no longer applicable.  The 12% reduction for oil and gas production profits is no longer applicable.  Same as 1976 except for the following:  5% investment tax credit applicable to new build-ings, machinery and equipment acquired between June 24, 1975 and July 1, 1980. (Higher rates for designated regions.)  3% of the value of inventory on hand at the begin-ing of the corporation fiscal year.			<b>46</b> % —	1 2
The reduction for Canadian-controlled private corporation is lowered to 22%. The reduction on manufacturing and processing profits is lowered to 7%.  5% investment tax credit applicable to new buildings, machinery and equipment acquired between June 24, 1975 to July 1, 1977.  The reduction for Canadian-controlled private corporation is lowered to 21% on first \$150,000 (maximum \$750,000).  The reduction on manufacturing and processing profits is lowered to 6%.  The reduction on manufacturing and processing profits is lowered to 6%.  The 15% reduction for canadian-controlled private corporation is lowered to 21% on first \$150,000 (maximum \$750,000).  The reduction on manufacturing and processing profits is lowered to 6%.  The 15% reduction for mineral production is no longer applicable.  The 12% reduction for canadian-controlled private corporation first \$150,000 (maximum \$750,000).  The reduction on manufacturing and processing profits is lowered to 6%.  The 15% reduction for mineral production is no longer applicable.  The 12% reduction for canadian-controlled private corporation first \$150,000 (maximum \$750,000).  The reduction on manufacturing and processing profits is lowered to 6%.  The 15% reduction for mineral production is no longer applicable.  The 15% reduction for oil and gas production profits is no longer applicable.	Same as 1974	Same as 1975	Same as 1976	3
The reduction for Canadian-controlled private corporation is lowered to 22%.  The reduction on manufacturing and processing profits is lowered to 7%.  5% investment tax credit applicable to new buildings, machinery and equipment acquired between June 24, 1975 to July 1, 1977.  The reduction for Canadian-controlled private corporation is lowered to 21% on first \$150,000 (maximum \$750,000).  The reduction on manufacturing and processing profits is lowered to 6%.  The 15% reduction for mineral production is no longer applicable.  The 12% reduction for oil and gas production profits is no longer applicable.				
Same as 1974 Same as 1975 Same as 1976	The reduction for Canadian-controlled private corporation is lowered to 22%. The reduction on manufacturing and processing profits is lowered to 7%.	The reduction for Canadian-controlled private corporation is lowered to 21% on first \$150,000 (maximum \$750,000).  The reduction on manufacturing and processing profits is lowered to 6%.  The 15% reduction for mineral production is no longer applicable.  The 12% reduction for oil and gas production	5% investment tax credit applicable to new buildings, machinery and equipment acquired between June 24, 1975 and July 1, 1980. (Higher rates for designated regions.) 3% of the value of inventory on hand at the begin-	4
	Same as 1974	Same as 1975	Same as 1976	5
Same as 1974 No longer applicable Same as 1976	Same as 1974	No longer applicable	Same as 1976	6

TABLE V. Provincial Corporation Income Taxes, 1 1972 to 1977

1110	DE V. HOVIII COLPOINION INCOME THAT IS A STATE		
1975	1976	1977	No.
13%	14%	14%	1
10%	10%	10%	2
10%	12%	12%	3
10%	10%	12%	4
12%	12%	12%	5
12%	12%	12%	6
13%	15%	15%	7
12%	12%	14%	8
11%	11%	11%	9
13%	15%	15%	10

TABLE VI. Federal and Provincial General Sales Taxes, 1972 to 1977

No.		1972	1973	1974
1 2	I. Federal sales tax (imposed on manufacturer's selling price of domestic products and duty paid value of imported goods): General rate. Special rate.	12% Building materials and heating equipment: 11%.	12% Same as 1972	Construction materials and equipment solution buildings: 5%. (Effective November 19.)
3	EXEMPTIONS  Unless otherwise specified these are new exemptions	Articles manufactured by handicapped (effective May 9), production machinery: since June 2, 1967.	Confectioneries, chocolate bars, soft drinks, fruit drinks and similar near food products: children's clothing, shoes and other footwear.	Clothing and footwear.
4	II. Provincial sales taxes (imposed on retail price): Newfoundland	7%	7%	8% (April 10)
5	Prince Edward Island	8% 7%	8% 7%	8% 7%
7	New Brunswick	8% 8%	8% 8%	8% 8%
8	Quebec	5%	7%	7%
10	(b) Meals and alcoholic beverages	10%	(May 1) 10%	10%
11	Manitoba: (a) General	5%	5%	5%
12	(b) Spirits, wines and imported beer	10% (June 1)	10%	10%
13 14	Saskatchewan	5% 5%	5% 5%	5% 5%
	EXEMPTIONS			
15	Unless otherwise specified, these are new exemptions	Newfoundland: Children's clothing.  Quebec: Industrial production equipment.  Ontario: Repeal of exemption for draught beer, which becomes taxable as in (b).  Manitoba: Safety clothing. Increase of rate from 5% to 10% on spirits, wines and imported beer. Repeal of exemptions for production machinery and vessels over 200 tons gross.  Saskatchewan: Meals under \$2.51.	Nova Scotia:  Larger sizes of children's clothing and footwear; all merchandise, except automotive equipment and parts, sold to Indians on reservations for their own use.  Quebec:  Exemption for meals raised from \$1.25 to \$1.50. Small sale exemption raised from \$0.10 to \$0.15.  Ontario:  Exemption for meals increased from \$2.50 to \$4. Seeds, bulbs, natural flowers, etc., household pets.  Saskatchewan:  Repeal of the exemption on railway rolling stocks, ties and steel rails.	Newfoundland: Domestic fuel and heating oil.  Prince Edward Island: Goods and materials used in mak clothing; soap and cleaning supplies, a articles traded in against purchases. Sn sale exemption raised from \$0.11 to \$0. Prepared meals of less than \$2.01 empted. Refund of sales tax to newlyw for up to \$1,000 purchases of furniture a other household supplies within the fyear of marriage. Books and other prin material of informational or literary val  New Brunswick: Clothing and footwear, microfilm p chases by libraries (containing informat equivalent to a book ordinarily exempte and purchases made by Status Indians the reservation for delivery on the reservation. Prepared meals of less than \$2 exempted.  Ontario: Personal hygiene items, e.g., toothpaste, be powder, soap, detergents, etc., and fowear of \$30 or less.  Manitoba: Exemption for prepared meals raised \$2.99 from \$1.99. Purchases (except mocars) made by Status Indians.  British Columbia:

TABLE VI. Federal and Provincial General Sales Taxes, 1972 to 1977

TABLE	VI. Federal and Provincial General Sales Taxes, 19	72 to 1977	1
1975	1976	1977	I.N.
12% Same as 1974	12% Same as 1975	12%   Petroleum products:   Gasoline Grade 1	
ation material.	Certain energy-saving equipment such as solar furnaces and wind-powered generating equipment.	Wheelchairs and lifts, tricycles, coinage, tapestries, buses and vans for transporting the handicapped and 50% of the value of metric scales.	
8% 8% 7% 8% 8% 5% (April 8) 10% 5% 10% 5%	10% (November 24) 8% 8% 8% (March 20) 8% 8% 7% (January 1) 10% 5% 10% 5% 7% (March 27)	10% 8% 8% 8% 8% 7% 10% 5% 10% 5% 7%	I 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
e Edward Island: all sales exemption raised from \$0.16 to \$0.26.  Scotia: ti-pollution equipment and devices purchased by anufacturers, producers and processors or other esignated persons.  Brunswick: andry and drycleaning services.  eec: emption for meals increased from \$1.49 to \$2. mall purchases exemption increased from \$0.15 0 \$0.25. Industrial machinery exemption extended March 31, 1977.  rio: chinery and equipment for production and/or onstruction purposes exempt to December 31, 977.  attchewan:	Newfoundland: Clothing. Small sales exemptions raised to \$0.20 from \$0.08.  Prince Edward Island: Insulating materials and certain alternate energy sources.  Quebec: Production equipment bought or rented for the production of moveable property for resale. Conditional materials if they are used directly in the production of moveable property for resale.  Ontario: Purchases of insulation materials used in existing houses. Prepared meals of less than \$5 exempted.  Manitoba: Repeal of the exemption on railway rolling stock.	Newfoundland:  Exemption for meals less than \$3; 50% of the sale price of mobile homes. Insulation materials.  Nova Scotia:  Thermal insulation materials.  New Brunswick:  Basic sales tax exemption increased from \$0.11 to \$0.25.  Quebec:  Used residential mobile homes and 50% of the sale price of new units. Sale or rental of tools used to produce saleable moveable goods. Exemption for childrens' clothing and shoes repealed.  Ontario:  Exemption for meals increased from \$5 to \$6. Disposable items used by the accommodation industry in guest rooms.  Exemption extended to include a wider range of energy conservation materials and equipment.  The exemption on the price of admission to places	1
staurant meals; books and other reading materials.		of amusement increased from \$0.75 to \$3.00.  Manitoba: Insulation materials used in residential construction.  British Columbia: Steel granaries purchased by farmers for storing grain on their farms.	

TABLE VII. Provincial Taxes on Motive Fuels, 1972 to 1977

	TABLE VII, FROVING	nai Taxes on Motive Fuels, 1972 to	1977
No.	Province	1972	1973
		rates pe	r gallon
		•	
	Newfoundland:		
1	Gasoline, diesel and aviation fuel	\$0.25 (Since April 1, 1968)	\$0.25
	Prince Edward Island:		
2	Gasoline	\$0.21	\$0.21
3	Diesel fuel	(Since March 20, 1968) \$0.25	\$0.25
		(April 19)	
	Nova Scotia:		
4	Gasoline	\$0.21	\$0.21
5	Diesel fuel.	(Since April 4, 1969) \$0.27	\$0.27
6	Aviation fuel	\$0.03 (Since August 1, 1971)	\$0.03
		(Since August 1, 1971)	
	New Brunswick:		
7	Gasoline	\$0.20 (Since April 1, 1969)	\$0.20
8	Diesel fuel	\$0.23 (Since 1966)	\$0.23
9	Aviation fuel	\$0.03	\$0.03
	Quebec:	(Since May 15, 1971)	
10	Gasoline	\$0.19) (Since	\$0.19
11	Diesel fuel	\$0.25 \ March	\$0.25 \$0.03
12	Aviation fuel	\$0.03   28, 1968)	\$0.03
	Ontario:	20.10.2.07	20.10
13 14	Gasoline	\$0.19 \ (March \$0.25 \ \ 29, 1972)	\$0.19 \$0.25
15	Aviation fuel	\$0.03	\$0.03
		(Since May 13, 1968)	
	Manitoba:	2	
16 17	Gasoline	\$0.17 (Since \$0.20 October	\$0.17 \$0.20
18	Aviation fuel	\$0.02  19, 1964)	\$0.02
	Saskatchewan:		
19 20	Gasoline	\$0.19 (Since \$0.21 March 3,	\$0.19 \$0.21
21	Aviation fuel	\$0.04 \( 1970 \)	\$0.04
	Alberta:		
22	Gasoline	\$0.15 (Since	\$0.15
23 24	Diesel fuel	\$0.15 (Since \$0.17 June 1, \$0.03 1968)	\$0.17 \$0.03
	British Columbia:		
25	Gasoline	\$0.15 (Since	\$0.15
26	Diesel fuel	\$0.17 \rightarrow February	\$0.17
27	Aviation fuel	\$0.03  5, 1971)	\$0.03
	Yukon:		
28 29	Gasoline	\$0.14 \$0.14 \ June 1,	\$0.14 \$0.16
30		\$0.02 June 1, \$0.02 1971)	(April 1)
30	Aviation fuel	\$0.023	\$0.02
2.1	Northwest Territories:		
31	Gasoline	\$0.14 (Since \$0.15 April 1,	\$0.14 \$0.15
33	Aviation fuel	\$0.025 \ 1971)	\$0.025

TABLE VII. Provincial Taxes on Motive Fuels, 1972 to 1977

1974	1975	1976	1977	
	rates per gallon			No.
\$0.25	\$0.25	\$0.27 (March 26)	\$0.27	1
\$0.21	\$0.21	\$0.21	\$0.21	2
\$0.25	\$0.25	\$0.25	\$0.25	3
\$0.21	\$0.21	\$0.21	\$0.21	1 4
\$0.27 \$0.03	\$0.27 \$0.03	\$0.27 \$0.03	\$0.27 \$0.03	5 6
\$0.20	\$0.20	\$0.20	\$0.20	7
\$0.23	\$0.23	\$0.23	\$0.23	8
\$0.03	\$0.03	\$0.03	\$0.03	9
\$0.19 \$0.25 \$0.03	\$0.19 \$0.25 \$0.03	\$0.19 \$0.25 \$0.03	\$0.19 \$0.25 \$0.03	10 11 12
\$0.19 \$0.25 \$0.03	\$0.19 \$0.25 \$0.03	\$0.19 \$0.25 \$0.03	\$0.19 \$0.25 \$0.03	13   14   15
\$0.15 \ (July \) \$0.18 \ 1) \ \$0.02	\$0.18 \$0.21 \$0.03	\$0.18 \$0.21 \$0.05 (May 17)	\$0.18 \$0.21 \$0.05	16   17   18
\$0.12 \ (May \$0.16 \) 15)	\$0.12 \$0.16 \$0.04	\$0.15 \ (March \ \$0.21 \ 25) \ \$0.04	\$0.19 \$0.266 \ 11) \$0.04	19 20 21
{ \$0.10 } (April \$0.12 } 1)	\$0.10 \$0.12 \$0.03	\$0.10 \$0.12 \$0.03	\$0.10 \$0.12 \$0.03	22   23   24
\$0.15 \$0.17 \$0.03	\$0.17 \$0.19 \$0.05 } (February 28)	\$0.17 \$0.19 \$0.05	\$0.17 \$0.19 \$0.05	25   26   27
\$0.14 \$0.16	\$0.14 \$0.16	\$0.14 \$0.16	\$0.14 \$0.16	28 29
\$0.02	\$0.02	\$0.02	\$0.02	30
\$0.14 \$0.15 \$0.025	\$0.14 \$0.15 \$0.025	\$0.14 \$0.15 \$0.025	\$0.14 \$0.15 \$0.025	31 32 33

## TABLE VIII. Provincial Taxes on Tobacco Products, 1972 to 1977

	TABLE VIII, Provincia	al Taxes on Tobacco Products, 1972	to 19//
No.		1972	1973
1	Newfoundland: Cigarettes (per cigarette)	\$0.01	\$0.01
2 3	Cigars (per cigar)	\$0.02 to \$0.20 \$0.04 (June 1)	\$0.02 to \$0.20 \$0.04
	Prince Edward Island:		
4	Cigarettes (per cigarette)	\$0.004	\$0.004
5	Cigars (per cigar)	\$0.01 to \$0.07	\$0.01 to \$0.07
6	Other tobacco products	\$0.46 and over: 20% 20% of retail price (Since March 20, 1968)	\$0.46 and over: 20% 20% of retail price
	Nova Scotia:		22.224
7	Cigarettes (per cigarette)	\$0.004	\$0.004
8	Other tobacco products (% of retail price)	10% (Since April 4, 1969)	10%
9	New Brunswick:   Cigarettes (per cigarette)	\$0.004	\$0.004
10	Cigars (for each \$0.05 of retail price per		
11	Other tobacco products (per ounce)	\$0.01 \$0.04 (Since April 1, 1969)	\$0.01 \$0.04
12	Quebec: Cigarettes (per cigarette)	\$0.004	\$0.004
13	Cigars (per cigar)	\$0.05 to 0.10: \$0.01 over \$0.10: 20%	\$0.05 to 0.10: \$0.01 over \$0.10: 20%
14	Manufactured tobacco (% of retail price)  Ontario:	20% (Since March 28, 1968)	20%
15	Cigarettes (per cigarette)	\$0.0046	\$0.0046
16	Cigars (per cigar)	\$0.01 to \$0.02 over \$0.10: \$0.01 add. per \$0.05	\$0.01 to \$0.02 over \$0.10: \$0.01 add. per \$0.05
17	Other tobacco products (per 1/2 ounce)	\$0.025 (March 29)	\$0.025
	Manitoba:		
18 19 20	Cigarettes (per cigarette) Cigars (per cigar)	\$0.006 \$0.01 to \$0.15 \$0.03 (May 1)	\$0.006 \$0.01 to \$0.15 \$0.03
21	Saskatchewan:	\$0.0032	\$0.0036
21	Cigarettes (per cigarette)	\$0.0036	
22 23	Cigars (per cigar)	\$0.01 to \$0.10 \$0.02 (Since March 1, 1968)	\$0.01 to \$0.04 \$0.02 (February 9)
	Alberta:		
24 25 26	Cigarettes (per cigarette)	\$0.0032 \$0.01 to \$0.09 \$0.02	\$0.0032 \$0.01 to \$0.09 \$0.02
20		(Since June 30, 1969)	φ0.02
27	British Columbia:  Cigarettes (per cigarette)	\$0,0032	\$0.0032
28 29	Cigars (per cigar)	\$0.01 to \$0.09 \$0.02 (Since February 5, 1971)	\$0.0032 \$0.01 to \$0.09 \$0.02
	Yukon:	(Since 1 volutily 3, 17/1)	
30 31 32	Cigarettes (per cigarette) Cigars (per cigar) Other tobacco products (per 1/2 ounce)	Nil Nil Nil	Nil Nil Nil
	Northwest Territories:		
33 34	Cigarettes (per cigarette) Cigars (per cigar)	Nil Nil	Nil Nil

TABLE VIII. Provincial Taxes on Tobacco Products, 1972 to 1977

1974	1975	1976	1977	No.
\$0.01	\$0.01	\$0.01	\$0.012	1
\$0.02 to \$0.20 \$0.04	\$0.02 to \$0.20 \$0.04	\$0.02 to \$0.20 \$0.04	\$0.04 to \$0.24 \$0.05 (April 28)	2 3
\$0.004	\$0.008 (May 13)	\$0.008	\$0.008	4
\$0.01 to \$0.07 \$0.46 and over: 20% 20% of retail price	\$0.01 to \$0.07 \$0.46 and over: 20% \$0.03 per 1/2 ounce unit (May 13)	\$0.01 to \$0.07 \$0.46 and over: 20% \$0.03 per 1/2 ounce unit	\$0.01 to \$0.07 \$0.46 and over: 20% \$0.03 per 1/2 ounce unit	5
\$0.004	\$0.004	\$0.005	\$0.006	1 7
10%	10%	(March 20) 10%	15% (March 30)	8
\$0.004	\$0.004	\$0.004	\$0.004	9
\$0.01 \$0.04	\$0.01 \$0.04	\$0.01 \$0.04	\$0.01 \$0.04	10
\$0.004 \$0.05 to 0.10: \$0.01 over \$0.10: 20% 20%	\$0.004 \$0.05 to 0.10: \$0.01 over \$0.10: 20% 20%	\$0.008 \$0.05 to 0.10: \$0.01 over \$0.10: 25% 25%	\$0.008 \$0.05 to \$0.10: \$0.01 over \$0.10: 25% 25%	12   13   14
		(May 12)		
\$0.0046 \$0.01 to \$0.02 over \$0.10: \$0.01 add, per \$0.05	\$0.0046 \$0.01 to \$0.02 over \$0.10: \$0.01 add, per \$0.05	\$0.0071 \$0.01 to \$0.04 over \$0.20: \$0.01 add. per \$0.05	\$0.0096 \$0.02 to \$0.04 over \$0.10: \$0.02 add. per \$0.05	15 16
\$0.025	\$0.025	\$0.025 (April 7)	\$0.05 (June 28)	17
\$0.006 \$0.01 to \$0.15 \$0.03	\$0.006 \$0.01 to \$0.15 \$0.03	\$0.008 \$0.02 to \$0.20 \$0.04 (May 17)	\$0.008 \$0.02 to \$0.20 \$0.04	18 19 20
\$0.0036	\$0.0036	\$0.006	\$0.008	21
\$0.01 to \$0.04 \$0.02	\$0.01 to \$0.04 \$0.02	(March 24) \$0.01 to \$0.04 \$0.02	\$0.02 to \$0.08 \$0.04 (effective March 11)	22 23
\$0.0032 \$0.01 to \$0.09 \$0.02	\$0.0032 \$0.01 to \$0.09 \$0.02	\$0.0032 \$0.01 to \$0.09 \$0.02	\$0.0032 \$0.01 to \$0.09 \$0.02	24 25 26
\$0.0032 \$0.01 to \$0.09 \$0.02	\$0.0032 \$0.01 to \$0.09 \$0.02	\$0.0048 \$0.01 to \$0.15 \$0.03 (March 27)	\$0.0048 \$0.01 to \$0.15 \$0.03	27 28 29
\$0.004 \$0.01 to \$0.09 \$0.02 (June 1)	\$0.004 \$0.01 to \$0.09 \$0.02	\$0.006 \$0.01 to \$0.10 \$0.03 (April 1)	\$0.006 \$0.01 to \$0.10 \$0.03	30 31 32
\$0.0032 \$0.01 to \$0.09 (April 1)	\$0.0032 \$0.01 to \$0.09	\$0.0032 \$0.01 to \$0.09	\$0.0032 \$0.01 to \$0.09	33

TABLE IX. Federal Taxes on Alcoholic Beverages and Tobacco Products, 1972 to 1977

17.	ABLE IX. Federal Taxes on Alco	none beverages and Toba	Toducts, 1972 to	19//	
	1972 and 1973	1974	1975	1976	1977
Beer	Excise duty: \$0.42 per gallon.	Same as 1972 and 1973	Same as 1974	Same as 1975	Same as 1976
Spirituous other than Canadian brandy	Excise duty: \$14.25 per proof gallon.	Increased to \$16.25 effective November 18.	Same as 1974	Same as 1975	Same as 1976
Canadian brandy	Excise duty \$12.25 per proof gallon.	Increased to \$14.25 effective November 18.	Same as 1974	Same as 1975	Same as 1976
Spirits sold to druggists and used in the preparation of prescription	Excise duty: \$1.50 per proof gallon.	Same as 1972 and 1973	Same as 1974	Same as 1975	Same as 1976
Imported spirits taken into bonded manufactory	Excise duty: \$0.30 per proof gallon (in addition to other duties).	Same as 1972 and 1973	Same as 1974	Same as 1975	Same as 1976
Wines:  (a) Containing 7% or less of absolute alcohol by volume	Excise tax: \$0.275 per gallon.	Increased to \$0,475 effective November 18.	Decreased to \$0.275 effective June 23.	Same as 1975	Same as 1976
than 7% of absolute alcohol by volume but not over 40% of proof spirit	Excise tax: \$0.55 per gallon.	Increased to \$0.95 effective November 18.	Decreased to \$0.55 effective June 23.	Same as 1975	Same as 1976
(c) Champagne and other sparkling wines	Excise tax: \$2.55 per gallon.	Increased to \$2.95 effective November 18.	Decreased to \$2.55 effective June 23.	Same as 1975	Same as 1976
Cigarettes	Excise tax: \$0.03 per 5 cigarettes plus excise duty of \$4 per 1,000 cigarettes weighing less than 3 lb. per 1,000 or \$5 per 1,000 cigarettes weighing more than 3 lb. per 1,000.	Increase of excise duty to \$5 per 1,000 cigarettes weighing less than 3 lb. per 1,000 and to \$6 per 1,000 cigarettes weighing more than 3 lb. per 1,000 effective November 18.	Same as 1974	Same as 1975	Same as 1976
Cigars	Excise tax: 17 1/2% plus excise duty of \$2 per 1,000 cigars.	Increase of excise tax to 20 1/2% effective November 18.	Same as 1974	Same as 1975	Same as 1976
Manufactured tobacco	Excise tax: \$0.90 per lb. plus excise duty of \$0.35 per lb.	Increase of excise duty to \$0.50 per lb. effective November 18.	Same as 1974	Same as 1975	Same as 1976
Canadian raw leaf tobacco	Excise duty: \$0.10 per lb,	Same as 1972 and 1973	Same as 1974	Same as 1975	Same as 1976

Notes: 1. All goods subject to federal excise tax and/or duty are also subject to the federal manufacturers' sales tax. However, for purposes of the manufacturers' sales to 2. Excise duties and certain excise taxes are not levied as such on imported products; they are included in the customs duty payable, the rates of which are set take account of such levies.







## PUBLICATIONS OF THE PUBLIC FINANCE DIVISION

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Consolidated Government Stat		0.5	rovernment S	ıιa	US	SL	к	S.
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Publications

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## STATISTICS CANADA

Public Finance Division

# PRINCIPAL TAXES IN CANADA

1978

Published by Authority of The Minister of Industry, Trade and Commerce

Version française de cette publication disponible sur demande (nº 68-201F au catalogue).

Price: \$1.40

September 1978 4-2101-504



# TABLE OF CONTENTS

	Page
Introduction	5
General Commentary	5
Government Structure  Main Legislation Governing Federal-Provincial Relations	5 5
PART I. Taxes Levied by the Federal Government	
Income Taxes	9
Other Important Federal Taxes	11
1978 Changes in Federal Taxes	12
Table	
1. Income Taxes Levied by the Federal Government	14
2. Other Important Federal Taxes	16
PART II. Taxes Levied by Provincial Governments	
Income Taxes	21
Consumption Taxes	22
Miscellaneous Provincial Levies	23
1978 Changes in Provincial Taxes	23
Table	
3. Income Taxes Levied by Provincial Governments	28
4. Capital and Gift Taxes and Succession Duties	30
5 A. General Retail Sale Taxes Levied by Provincial Governments	32
5 B. Other Consumption Taxes Levied by Provincial Governments	34
6. Miscellaneous Provincial Levies	42
PART III. Taxes Levied by Municipal Governments	
Real Property Tax	57
Business Tax	57
Special Assessment and Local Improvement Taxes	57
Table	50
7. Main Aspects of the Real Property Tax	58

## TABLE OF CONTENTS — Concluded

# PART IV. Historical Tables of the Most Important Taxes

Table	Page
I. Personal Income Taxes Levied by the Federal Government, 1972 and 1974 to 1978	64
II. Personal Income Taxes Levied by the Province of Quebec, 1972 and 1974 to 1978	66
III. Personal Income Taxes Levied by the Provinces Other Than Quebec, 1972 and 1974 to 1978	66
IV. Federal Corporation Income Tax, 1972 and 1974 to 1978	68
V. Provincial Corporation Income Taxes, 1972 and 1974 to 1978	68
VI. Federal and Provincial General Sales Taxes, 1973 to 1978	70
VII. Provincial Taxes on Motive Fuels, 1973 to 1978	72
VIII. Provincial Taxes on Tobacco Products, 1973 to 1978	74
IX. Federal Taxes on Alcoholic Beverages and Tobacco Products, 1973 to 1978	76

# INTRODUCTION

The Public Finance Division of Statistics Canada releases annually a summary of the principal taxes levied in Canada. These taxes are tabulated under the level of government which levies them, i.e., federal, provincial and municipal. Hence, this publication is divided into the following sections:

General Commentary

Part I. Taxes Levied by the Federal Government.

Part II. Taxes Levied by Provincial Governments.

Part III. Taxes Levied by Municipal Governments.

Part IV. Historical Tables of the Most Important taxes.

The principal levies in effect as of and changes proposed prior to July 1, 1978 (whether or not implemented at that date) are taken into account herein.

## **GENERAL COMMENTARY**

For a clearer understanding of the nature of the principal taxes in effect in Canada, it is useful to have some general knowledge of the sociopolitical context in which they are levied. To this end, the Canadian government structure and the main fiscal legislation presently governing the relations among levels of government are briefly described below.

### **Government Structure**

Canada is a federal state with a central government, ten provincial governments and two territorial administrations. The British North America Act, adopted in 1867, forms the written constitution of the country. Sections 91 and 92 of the Act specify the distribution of taxing powers and responsibilities between the federal parliament and the provincial legislatures. Under Section 91, the federal parliament is given unlimited taxing powers while, under Section 92, the provincial legislatures are granted the power of "direct taxation within the province in order to the raising of a revenue for provincial purposes". In addition, the BNA Act empowers the provinces to establish municipal institutions within their own territory. Thus, the latter derive their powers and their fiscal and financial responsibilities from the provincial legislature which created them.

In the mid-nineteenth century, the definition of direct taxes formulated by J.S. Mill:1 "A direct tax is one which is demanded from the very person who it is intended or desired should pay it", was the guiding principle. According to this definition, most major levies in Canada (personal and corporation income taxes, succession duties and a variety of provincial sales taxes which are paid by the ultimate purchaser or user of taxed goods and services) are direct taxes. The field of indirect taxation, occupied solely by the federal government, includes customs duties, excise levies, export charges on certain products and sales taxes levied on manufacturers.

Direct taxation in the form of income tax was employed in several municipalities even before the formation of the federation. This form of taxation was adopted by British Columbia in 1876 and by Prince Edward Island in 1894 but it was not until 1917, during the First World War, that the federal government entered the income tax field. During the 1930's provinces began to levy taxes on income and by 1940 all provinces were taxing the income of corporations and seven were taxing the income of individuals. However, the provinces

<sup>1</sup> J.S.Mill, *Principles of Political Economy*, Book V, Chapter iii.

relinquished their occupancy of this field of taxation to the federal government for the duration of the Second World War.

Among the other direct taxes, succession duties are the oldest; Ontario and Quebec started to levy such duties in 1892. The other provinces soon followed by adopting succession duties legislation modeled on the Ontario Act. The federal government entered this field of taxation in 1941 with the adoption of the Estate Tax Act. This tax, however, applied to the total value of an estate, not to the part received by each heir as is the case with the provincial provincial legislation. The Estate Tax Act was repealed in 1971. Most provinces have abolished their succession duties between 1972 and 1977. As of 1978, only two provinces are still levying such duties.

# Main legislation Governing Federal-Provincial Relations

The federal-provincial fiscal arrangements, as they are now known, originated at the end of the Second World War, i.e., about 1946, when most provinces wanted to re-enter the income tax field. Several federal-provincial conferences were held at that time in order to devise the structure of the relations (fiscal and financial) that should prevail between the two levels of government. The first agreements in this respect were implemented for the years 1947 to 1952, pursuant to the **Dominion Provincial Tax Rental Agreements Act**. Ontario and Quebec did not sign such tax rental agreements. These provinces continued to levy succession duties and resorted again to corporation income tax at a rate of 7%; they did not enter the personal income tax field.

The 1947 agreements were the first of a series of quinquennial federal-provincial arrangements, each one modifying and broadening the terms and content of the immediately preceding one. For instance, with the adoption in 1957 of the tax sharing arrangements replacing the tax rental agreements in force since 1947, the federal government initiated the income tax abatement system in favour of the provinces. The 1957 formula, however, was modified by the 1962 agreements. Under this modification, the provinces could establish the rates of their own income tax which could be higher or lower than the federal abatement. Furthermore, the federal government offered to collect,

together with its own income tax, any income tax that provinces levied. Thus began the system of Tax Collection Agreements.

In addition to fiscal matters, recent quinquennial arrangements have dealt with areas of public interest in which joint federal-provincial actions are considered desirable. The main Acts presently governing such arrangements are: the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977 and the Federal-Provincial Fiscal Revision Act, 1964.

The main federal-provincial fiscal arrangements governed by the first Act mentioned above are the fiscal equalization payments, fiscal stabilization payments to the provinces, tax collections agreements, provincial

personal income tax revenue guarantee payments, transfer payments with respect to the tax on 1971 undistributed income on hand, the financing of established programs (post-secondary education, hospital insurance, medical care and extended health care services programs) and reciprocity agreements concerning provincial taxes and fees. Under the second Act, special arrangements are spelled out pertaining to Quebec's opting-out in 1964 of the programs listed above. For more information on these arrangements and agreements, the reader is referred to the 1977 issue of this publications.

The following table sets out the amounts paid by the federal government to provincial governments during the fiscal year 1977 - 78 pursuant to the 1972 and 1977 fiscal arrangements.

# Payments to the Provinces Pursuant to the 1972 and 1977 Federal-Provincial Fiscal Arrangement 1977 - 78

	\$'000
Equalization	2,521,203
Stabilization	-
Tax collections: Personal income tax Corporation income tax	4,922,924 761,661
Tax revenue guarantee: Personal income tax Corporation income tax	539,343 61,040
Tax on 1971 undistributed income on hand	15,282
Established programs financing: Post-secondary education Hospital insurance Medical Care services Extended health care services Special Welfare (Part VII, 1977 Act)	1,050,240 1,717,114 574,465 465,825 462,305
Total, established programs financing	4,269,949
Reciprocity Agreements concerning provincial taxes and fees	46,649
Total payments	13,138,051

### **NOTE**

In the tables of this publication, the statutory authority under which taxes are levied by the federal and provincial governments is provided. The name of the statute or revised statute is followed by the year of implementation, the number of the chapter concerned and a statement as to whether there have been subsequent amendments, i.e., Excise Tax Act; R.S.C. 1970, c. E-13 and amendments.

# PART I

TAXES LEVIED BY THE FEDERAL GOVERNMENT



# TAXES LEVIED BY THE FEDERAL GOVERNMENT

The federal government levies a variety of taxes which apply throughout Canada. The principal of these:

income, sales and excise taxes, excise and custom duties and petroleum export charges, are dealt with below.

### Income Taxes

Under Part I of the Income Tax Act, the federal government levies a tax on the income of individuals and corporations resident in Canada, whether this income is derived from sources inside or outside the country. It also levies a tax on the income of non-residents which is earned in Canada either from employment or from business carried on within Canada or from a gain on disposal of taxable Canadian property.

For income tax purposes "residence" is the place where a taxpaper resides or where he maintains a dwelling ready at all times for his own use. The meaning of the term "residence" also extends to persons who have sojourned in Canada for an aggregate period of 183 days in a taxation year. It also includes Canadians who work outside Canada under certain international assistance programs. However, Canada has entered into international assistance programs. However, Canada has entered into income tax conventions with several countries to avoid double taxation of the same income and to prevent fiscal evasion.

## Personal Income Tax

Two concepts of "income" are used in the Canadian tax laws: income and taxable income.

Income includes all earnings from sources inside or outside Canada, such as

- (a) income from office or employment, i.e., salaries, wages, gratuities, commissions, benefits from employment, personal or living expenses, fees and allocations under profit sharing plans;
- (b) income (or loss) from business or property, i.e., profits, interest, payments based on production or use (royalties or rents), dividends, partnership income, benefits from estates and employees profit sharing plans;
- (c) one half of realized capital gains or incurred losses;
- (d) income in the form of pensions, unemployment insurance benefits, retiring allowances, death benefits, alimony, maintenance payments, annuity payments, adult training allowances, scholarships, bursaries, research grants and family allowances.

Income excludes, however, employment expenses up to the lesser of 3% of employment income or \$250 as well as war service disability pensions, social assistance payments, compensation in respect of an injury or death under a provincial Workmen's Compensation Act and family income security payments.

The term "net income" does not appear in the Income Tax Act but it does on the taxpayer's individual tax return. Net income is determined by deducting certain payments from income as defined above. These payments include contributions to universal pension plans, unemployment insurance premiums, contributions to a pension plan, registered retirement savings plan, registered home ownership savings plan, education savings plan; annual union and professional dues, tuition fees, child care expenses and other miscellaneous payments specified in the Act.

Taxable income is derived by subtracting from net income personal exemptions and deductions, other than those listed above, as they are set out in Table 1. Income levels in each tax brackets contained in this table take into account an estimated increase of 7.2% in the Consumer Price Index in 1978.

## **Corporation Income Tax**

Under the Income Tax Act, the federal government levies a tax upon income from anywhere in the world of corporations resident in Canada and upon the income attributable to operations in Canada of non-resident corporations carrying on business in this country.

For taxation purposes, income of corporations includes all returns derived from carrying on business or from holding property. Among such returns are operating profits, investment earnings (interest, dividend, rents and royalties) and gains from the disposal of capital property. Expenses, including indirect taxes (e.g., property taxes) and outlays necessary to earn a particular type of income as well as specified deductions are subtracted from the relevant return to determine the taxable income of corporations. Taxable capital gains are the net difference between one half of realized capital gains and one half of related capital losses.

#### (a) Rates

The standard rate of corporation income tax is 46%. However, in order to make room for provincial income taxes, the provinces have been granted an abatement of 10% of federal tax otherwise payable on income earned in a province. As a result, the effective federal rate on corporation income earned in any one of

the provinces is 36%. Provinces can and do establish rates above the federal 10% abatement, thus determining the weight of their own tax.

A special provision reduces the standard rate to 40% on Canadian manufacturing and processing profits. Furthermore, a "small business deduction" reduces the standard rate on certain business income to 25%, which is further reduced to 20% on Canadian manufacturing and processing profits. This small business deduction is restricted to private Canadian corporations which are not controlled by a non-resident or by a Canadian public corporation. It applies only to income from an active business carried on in Canada and not to investment income. The maximum amount of taxable income on which the deduction may be calculated is \$150,000 in any one year. A corporation is entitled to this deduction until it has accumulated and retained \$750,000 of taxable income since 1971. The 10% abatement granted to the provinces similarly applies to these and other special rates.

As of January 1, 1978 the investment income (other than dividends) of private corporations is subject to the standard rate of federal tax, i.e., 46%. The refundable dividend tax on hand at the end of 1977 is reduced to two thirds of the amount otherwise determined and, when related to investment income, it can be accumulated at a rate of one sixth of investment income, as of 1978, instead of the previous rate of one-quarter, when dividends are paid to shareholders. Further, the rate of tax on certain dividend income received by private companies is reduced to 25% from 33 1/3% after 1977.

The basic rate of tax on resource production profits was lowered, as of January 1976, from 50% to the standard rate of 46%. From May 7, 1974 to January 1, 1976, mining production profits were subject to an additional 15% abatement to the provinces over and above the basic 10% abatement. Petroleum profits were also subject to an additional abatement. In 1974 the abatement was 10%, in 1975: 12%; and for 1976, the abatement was scheduled to be 15%. However as of January 1, 1976, the extra resource abatement was repealed and replaced with a 25% resource allowance. This resource allowance is deductible from production income, calculated after deducting operating expenses and capital cost allowances, but before deducting interest, exploration and development costs and earned depletion.

Rules are provided for the taxation of specialpurpose companies such as Canadian investment and mutual fund corporations, life insurance companies, cooperatives and non-resident-owned investment companies.

## (b) Deductions

Corporations may deduct over a period of years the capital cost of all depreciable property. The normal capital cost allowances are computed each year on the diminishing balance principle. Regulations have established a number of classes of property and maximum rates. Typical rates include 5% for most buildings, 20% for machinery and 30% for automobiles. Accelerated depreciation (full write-off in two years) is allowed in respect of manufacturing and processing machinery and equipment purchased by manufacturers after May 8, 1972 for use in Canada. The two-year fast write-off applies to purchases of pollution abatement equipment. Current or capital expenditures on scientific research related to the business of the taxpayer may be written off in the year incurred or in a subsequent year.

The May and November budgets of 1974 introduced changes in the method of assessment of taxable resource income. One innovation was the differentiation between exploration and development expenses. A corporation whose principal business is mining, oil production or a related activity may deduct Canadian exploration expenses (as defined) from income from any source in the year in which the expenses are incurred. Any unused balance can be carried forward indefinitely. Corporations which do not meet the principal business test may deduct, in the year incurred, Canadian exploration expenses effected between May 25, 1976 and July 1, 1979. For such corporations, Canadian exploration expenses incurred on or before May 25, 1976 must be amortized at 30% on a declining balance basis. For all corporations, the amount which may be deducted for Canadian development expenses (as defined) may not exceed 30% of the unamortized balance.

The system of earned depletion provides an additional deduction to the taxpayer. Previously, depletion was automatic. The post May 6, 1974 system requires that businesses must incur certain exploration and development expenses before they can take advantage of the depletion deduction, hence the term "earned depletion". One third of exploration and development costs incurred by a firm after November 7, 1969 constitutes the "earned depletion base". Certain expenses, notably capitalized interest costs and the costs of acquiring resource properties are not included in the calculation of the earned depletion base. The earned depletion base can be carried forward indefinitely. The total permissible deduction in a given year is the lesser of the earned depletion base and 25% of resource profits. Prior to the May 1974 budget, the upward limit was 33 1/3% of resource profits.

The resource allowance deduction has already been discussed in the previous paragraphs on rates of tax. Because, as of May 6, 1974, provincial royalties are no longer deductible in computing income for tax purposes, the resource allowance deduction is considered to be a compensation for this non-deductibility.

Capital equipment and facilities for a new mine may be written off immediately against income from the mine. The assets eligible for this accelerated depreciation include buildings, mining machinery, processing facilities and "social capital" such as access roads, sewage plants, housing schools, airports and docks. The accelerated write-off provision for new mines will also apply in the case of a major expansion of an existing mine where there has been at least a 25% increase in milling capacity. The list of eligible assets is the same as for new mines except that "social capital" does not qualify. Taxpayers operating timber limits receive an annual cost allowance with respect to the cost of the limit. The rate of the allowance is based on the amount of timber cut in the year.

In computing taxable income, corporations, with certain exceptions, may deduct dividends received from other Canadian taxable corporations and also from certain non-resident affiliates. Business losses may be carried back one year or forward five years and deducted in computing taxable income. Corporations may also deduct charitable donations up to a maximum of 20% of their income.

Generally speaking, depreciation relating to rental properties cannot be deducted against other sources of income. However an exception is provided for certain multiple unit residential buildings purchased on, or between November 18, 1974 and December 31, 1978.

Effective for their fiscal periods commencing after December 31, 1976, businesses are permitted to deduct an amount equal to 3% of the value of inventory on hand at the beginning of the year.

## (c) Reductions and Credits

A corporation may reduce its tax otherwise payable by a credit for taxes paid to foreign governments on foreign source income. This credit may not exceed the Canadian tax related to such income. A corporation may also deduct from its tax an amount equal to the lesser of two thirds of provincial logging tax paid to a province or 62/3% of its income from logging operations in the province. At present, only Quebec and British Columbia impose logging taxes.

The federal government introduced a 5% investment tax credit applicable to new buildings, machinery and equipment acquired between June 24, 1975 and July 1, 1977. The credit was later extended to July 1, 1980. Current and capital expenditures on scientific research and development have been added to the list of eligible expenditures. The tax credit is higher for slower growth regions as designated by the Department of Regional Economic Expansion.

## Other Important Federal Taxes

Besides income taxes the federal government levies other taxes pursuant to various Acts, of which the most important are the Excise Tax Act, the Excise Act, the Customs Tariff and the Petroleum Administration Act. The main taxes levied under each of these Acts are briefly described below.

### The Excise Tax Act

Taxes levied under the Excise Tax Act are examples of indirect taxation. The importer, manufacturer or dealer in goods pays the tax and not the ultimate purchaser or consumer of the goods involved.

### (a) Consumption or Sales Taxes

The main component of the excise tax structure is the general manufacturers sales tax. Under Part V of the Excise Tax Act, the federal government levies a tax on all goods produced in or imported into Canada unless there is a specific exemption in the Act. For goods produced in Canada, the taxable value is the selling price of the manufacturer or, under certain conditions, the purchase price of a licensed wholesaler or operator of duty-free sales outlets. Where goods are imported, the tax is levied on the duty-paid value of the goods. The rate is 12% on most commodities; it is 5% on building equipment and construction materials which are speci-

fied in Schedule V of the Act. A list of either fully or partially exempt goods is given in Table 2.

#### (b) Excise Taxes

In addition to the sales tax, the Excise Tax Act also imposes a number of special excise taxes. These consist of *ad valorem* taxes levied on the same price or duty-paid values as the general sales tax and of specific taxes on certain products.

An excise tax is levied on foreign insurance premiums, other than marine, pursuant to Part I of the Excise Tax Act and on air transportation pursuant to Part II.

Most commodities subject to the sales tax described above are also subject to the excise tax. These commodities or articles are specified in Part III and IV of the Act as well as in the schedule to the Act. Most of these articles are listed in Table 2. The excise tax and the consumption tax are calculated independently on the basic value of the product which is either the sale or delivered price when made in Canada, or the duty-paid value when imported. For alcoholic beverages and tobacco products the sale price, for the purpose of the

excise taxes, includes the excise duties levied under the Excise Act. The excise tax does not apply to exported goods.

#### The Excise Act

Under this Act, the federal government levies duties on tobacco and alcoholic products, other than wines, made in Canada. These commodities are under the control of the Crown until the duty is paid and evidenced by a stamp or an approved imprint placed on the article. The duties are expressed at various unit rates based on the quantity rather than the value of the product and are applied before the above-mentioned excise taxes are levied. These duties are not levied on imports, but the customs tariff applies special duties to these products equivalent to the excise duties levied on the products manufactured in Canada.

#### The Customs Tariff

Customs duties are imposed on most imported commodities under the authority of the Customs Tariff. Customs duties were once the chief source of revenue for the country. However, they have declined in importance as a source of revenue to the point where they now provide about 5% of the total. Quite apart from its revenue aspects, however, the tariff still occupies an important place as an instrument of commercial policy.

There are two types of rates: a specific rate, i.e., an amount per quantity or volume, and an *ad valorem* rate which is a percentage of the dutiable value of the imported goods. This value is generally the fair market value in the country of export. Both rates vary according to four schedules which refer to the country of origin of the imported goods. The four levels of rates are the General Preferential, British Preferential, Most-Favoured-Nation and General. The General Preferential rates apply to goods imported from designated developing countries. The British Preferential rates are applied to imported commodities shipped directly to Canada

from countries within the British Commonwealth. Rates lower than the British Preferential are applied on certain goods imported from designated Commonwealth countries. The Most-Favoured-Nation rates apply to those countries with which Canada has trade agreements (including all of the countries participating in General Agreement on Tariffs and Trade) but which are not entitled to the British Preferential or General Preferential rates. The General rate is of little importance since it applies only to a few countries with which Canada has very little trade.

In all cases where the tariff applies, there are provisions for drawbacks of duty on imports of materials used in the manufacture of products later exported. These drawbacks are designed to help Canadian manufacturers to compete with foreign manufacturers of similar goods. There is a second class of drawbacks known as "home consumption" drawbacks. These apply to imported articles used in the production of specified classes of goods for home consumption.

The tariff schedules are too lengthy and complex to be reproduced in this publication. Rates pertaining to particular goods and countries of origin may be obtained from Revenue Canada, Customs and Excise.

#### The Petroleum Administration Act

Under the authority of this Act, the federal government levies a charge on the export of crude oil and certain other petroleum products. Rates of taxation, which vary according to the kinds and qualities of the products, consist of a specific charge per barrel or the equivalent of barrels. The rates are generally equal to or the equivalent of the difference between the average well-head price of oil as fixed for Canadian consumption and its international price.

Table 2 sets out the rates of taxes levied under the above-described Acts on various goods and activities, exclusive however of customs duties.

## 1978 Changes in Federal Taxes

The following list includes only basic modifications. Technical changes to the laws pursuant to which taxes are levied are omitted.

## 1. Personal Income Tax

- (a) The minimum amount of the 9% tax credit is increased to\$300 from \$200 for 1978 only. This \$100 reduction will be concentrated as much as possible through January and February.
- (b) For 1977 and subsequent years, grants provided under the home insulation program are to be included in the recipient's income, or in the case of a married couple, in the income of the spouse with the higher income.
- (c) The tax exemption granted to married employees on the value of free board and lodging at logging camps and remote work sites will be extended to single employees (effective April 10, 1978).
- (d) Federal income tax on residents of Northwest Territories is reduced in order to make room for the new territorial income tax (effective January 1, 1978).

## 2. Corporation Income Tax

(a) The two-year fast write-off for anti-pollution equipment is extended to such property acquired before 1980.

- (b) The special provision permitting taxpayers to offset against other income their losses on rental housing generated by capital cost allowances on multiple unit residential housing will be extended until the end of 1978.
- (c) Effective January 1, 1978, the capital cost allowance on wood-framé buildings will be reduced from 10% to 5%, bringing it into line with other kinds of buildings.
- (d) Beginning in 1978 and continuing until 1988 inclusive, corporations may deduct a further 50 per cent of additional research and development expenditures to the extent that those expenditures exceed the average amount over the three preceding years. This deduction is over and above the existing 100 per cent writeoff of capital and operating expenditures for research and development in the same year they are made.
- (e) An additional depreciation allowance of 6% per year for five years is granted to most capital expenditures on railways, as of April 10, 1978.
- (f) Up-grading plants which process heavy oil produced from wells into conventional type crude oil will be treated as a manufacturing facility. In such a way they become eligible for accelerated (50%) depreciation and a 40% tax rate (effective April 10, 1978).

Costs of machinery, equipment and other facilities for enhanced oil recovery systems become eligible to earn depletion allowances of \$1 for each \$2, as opposed to the normal rate of \$1 for \$3, as of April 10, 1978. At the same date the amount of the depletion allowance that may be claimed each year in respect of depletion earned on certain investments in non-conventional oil projects is raised from 25% to 50% of both resource profits and other profits of the corporation.

#### 3. Customs Tariff

- (a) Temporary tariff reductions on a wide range of goods, initially introduced in 1973 and scheduled to expire on June 30, 1978, are extended to June 30, 1979 with the exception of certain products, mainly frozen food products.
- (b) British Preferential tariff on some goods imported from the United Kingdom and Ireland is being withdrawn.
- (c) Non-agricultural tractors are excluded from duty-free entry, as well as chemicals used in the manufacture of pesticides.

Most of the changes outlined above are listed in Tables 1 and 2.

TABLE 1. Income Taxes Levied by the Federal Government

TABLE 1.	Income Taxes Levied by the Federal Government
Personal income tax	
1. Statutory authority	Income Tax Act (Part I) S.C. 1970 - 71 - 72 c. 63 and amendments.
2. Basis	Taxable income of residents and taxable income earned in Canada of non-residents.
3. Rate	6% on the first \$761 of taxable income  \$ 46 on \$ 761 plus 16% on next \$ 760  167 " 1,521 " 17% " " 1,521  426 " 3,042 " 18% " " 1,521  700 " 4,563 " 19% " " 3,042  1,278 " 7,605 " 21% " " 3,042  1,916 " 10,647 " 23% " " 3,042  2,616 " 13,689, " 25% " " 3,042  3,377 " 16,731 " 28% " " 4,563  4,654 " 21,294 " 32' " " 15,210  9,521 " 36,504 " 36% " " 22,815  17,735 " 59,319 " 39% " " 31,941  30,192 " 91,260 " 43% on remainder
4. Personal exemptions	Individuals taxed as married \$4,560 Individuals taxed as single 2,430 Dependant child under 16 years of age 460 Other dependants (as defined by law) 840 Taxpayer aged 65 years or over (transferable to spouse) 1,520
5. Deductions	Charitable donations up to 20% of net income.  Gifts to the federal or provincial governments.  Medical expenses in excess of 3% of net income.  An optional standard deduction of \$100 in lieu of claiming charitable donations and medical expenses.  \$1,520 for blind persons or persons confined to a bed or wheelchair (transferable to spouse).  Payments of supplement under Old Age Security Act.  \$50 for each month in attendance at a post-secondary institution for students and/or supporting individuals (transferable to spouse).  Interest, dividends and capital gains on Canadian securities up to \$1,000 (transferable to spouse).  \$1,000 for pension income other than from universal pension plans (transferable to spouse).  Non-capital losses sustained in any of the five preceding years, net capital losses up to the amount of any taxable capital gains (maximum of \$2,000 may be deducted from other sources of income) and restricted farm losses of prior years to the extent of farm income.  Employment expenses up to the lesser of 3% of employment income or \$250.  General averaging when income exceeds 120% of average income of the preceding four years or 110% of income for the immediately preceding year.  Averaging of income for farmers or fishermen for a block of five years.  16.5% tax abatement for income earned in Quebec in compensation for the province's opting-out of certain shared-cost programs.  A general 9% of tax payable with a minimum of \$300 and a maximum of \$500.  25% of the taxable amount (actual amount "grossed up" by one-half of dividends from taxable Canadian corporations.  A foreign tax credit applicable to foreign non-business income and income from business carried on in a foreign country.
7. Special tax in lieu of provincial tax	A portion of political contributions to federal registered parties and candidates up to a maximum of \$500.  43% on income earned in the Yukon and in another country.
	To be an example of the factor and in another country.
Corporation income tax	
8. Statutory authority	Income Tax Act; Part I.
9. Basis	Total taxable income of corporations and taxable income of foreign corporations earned in Canada.
10.Rates: (a) Standard rate	46% 40% on manufacturing and processing profits. 25% on Canadian-controlled private corporations (small business deduction) on first \$150,000 of active business income to an overall limit of \$750,000. This rate is reduced to 20% for manufacturing and processing profits.

# TABLE 1. Income Taxes Levied by the Federal Government - Concluded

	Comparation income tout Constituted	
1	Corporation income tax — Concluded	
1.	1. Deductions	Charitable donations up to 20% of net income.
		Gifts to the federal or provincial governments.  Non-capital losses sustained in any of the five preceding years, net capital losses and restricted farm losses of
		prior years to the extent of a corporation's net capital gain and farm income respectively.
		Taxable dividends from a taxable Canadian corporation and from a controlled subsidiary resident in Canada with certain minor exceptions. (Dividends received from non-resident or foreign corporations are not generally deductible.)
		generally deductione.)
12	2. Tax reductions and credits	10% abatement of taxable income earned in a province.
		Foreign tax credit for taxes paid to another country on non-business income earned in Canada as defined in Section 126 of the Act.
		A logging tax deduction which is the lesser of 2/3 of logging taxes paid to a province or 6 2/3% of income from logging operations.  Federal political contributions tax credit.
		5% investment tax credit applicable to new buildings, machinery and equipment acquired between June 24, 1975 and July 1, 1980. (Higher rates for designated regions.)
		3% of the value of inventory on hand at the beginning of a corporation's fiscal year.
	Tax on taxable dividends received by private corporations	
13	3. Statutory authority	Income Tax Act; Part IV.
		meome far ret, fait iv.
14	l. Basis	Private corporations' taxable dividends.
15	5. Rate	33 1/3% (refundable when taxable dividends are paid).
	Tax on 1971 undistributed income on hand	
16	5. Statutory authority	Income Tax Act; Part IX.
17	7. Basis	Election to prepay special tax on 1971 undistributed income on hand.
18	Rate	15%
	Tax on investment income of life insurers	
19	2. Statutory authority	Income Tax Act; Part XII.
20	l. Basis	Investment income of life insurers.
. 21	.Rate	15%
	Tax on income from Canada of non-resident persons	
22	Statutory authority	Income Tax Act; Part XIII.
22		
23	Basis	General rate on management fees, interest, trust income, rents, royalties, alimony, pension payments, rental
		of motion picture film and dividends.  (b) Dividends paid by a corporation having a degree of Canadian ownership (25% of voting equity stock).
2.4	Rates	(a) 25%
24	. Rates	(a) 25% (b) 20% except where limited by treaty.
25	. Exemptions	Interest on certain corporate and government debt securities issued after June 23, 1975 and before December 31, 1982.
		Dividends or interest payable by a non-resident-owned investment corporation.  Copyrights.
		Payments to holder of a certificate of exemption. Interest paid to non-residents after January 1, 1977 on mortgages on real property situated outside Canada.
	Additional tax on non-Canadian corporations carrying on business in Canada	
26	. Statutory authority	Income Tax Act; Part XIV.
27	Basis	Taxable income earned in Canada reduced by taxes already paid and by an allowance for increases in capital
20	Pata	investment in Canada. 25% (except where limited by treaty).
20	. Rate	
_		

## TABLE 2. Other Important Federal Taxes

Consumption or sales tax	
1. Statutory authority	Excise Tax Act (Part V) R.S.C. 1970, c. E-13 and amendments.
2. Basis	Manufacturers' selling price or duty paid value of imports.
3. Rate	General rate         12%           Schedule V.         5%
	Petroleum products:       \$0.05507 per gallon         Gasoline Grade 1       \$0.04918 " "         Gasoline Grade 2       0.04918 " "         Gasoline No lead       0.05132 " "         Diesel fuel       0.04618 " "
4. Comments	Schedule III (fully exempt articles):  Covering or containers; diplomatic articles; educational material; farm and forest products; foodstuffs; fuel and electricity; health material; marine and fisheries items; mines and quarries material; municipalities; production equipment, processing materials and plans; goods manufactured in institutions; clothing and footwear; construction equipment; transportation equipment; insulation material and other miscellaneous items.
	Schedule V (articles taxed at a reduced rate of 5%): Construction materials and equipment for buildings.
Insurance premiums other than marine	
5. Statutory authority	Excise Tax Act (Part I) R.S.C. 1970, c. E-13 and amendments.
6. Basis	Premiums in respect of insurance effected outside Canada.
7. Rate	10% of the net premium paid.
8. Comments	Does not apply to insurance against life, personal accident, sickness, marine risk or nuclear risk.
Air transportation tax	
9. Statutory authority	Excise Tax Act (Part II) R.S.C. 1970, c. E-13 and amendments.
10. Rate	Canada, Continental United States, St. Pierre and Miquelon, including use of air transportation facilities in Canada
Excise tax	
11. Statutory authority	Excise Tax Act (Parts III and IV) R.S.C. 1970, c. E-13 and amendments.
12. Basis and rate	Part III, articles enumerated in Schedule I:       \$ 0.10 per unit         Lighters.       10% ad valorem         Smokers accessories       10% " "         Cigars       20 1/2% " "         Matches.       10% " "         Clocks and watches (portion over \$50)       10% " "         Jewellery, precious or semi-precious stones       10% " "         Automobiles:       4,425 - 4,525 lb. (portion)       \$ 30         4,525 - 4,625 lb. (portion)       40         4,625 - 4,725 lb. (portion)       50         Each additional 100 lb.       60
	Station-wagons, vans and trucks:       \$ 30         5,000 - 5,100 lb. (portion)       \$ 30         5,100 - 5,200 lb. (portion)       40         5,200 - 5,300 lb. (portion)       50         Each additional 100 lb       60         Motorcycle (displacement greater than 250 c.c.)       5%         Boats and motors exceeding 20 h.p.       10%         Private aircraft       10%         Gasoline       \$ 0.10 per gallon         Air conditioner for motor vehicles       \$ 100

TABLE 2. Other Important Federal Taxes - Concluded

Excise tax - Concluded	
Basis and rate	Part III, articles enumerated in Schedule II: Cigarettes. \$ 0.03 per 5 Tobacco-manufactured \$ 0.90 per pound  Part IV: Playing cards \$ 0.20 per pack  Wines (excluding imports. Custom duties on imports are set to take into account the taxes levied on domestic production of wines): Wine containing 7% or less alcohol \$ 0.25 per gallon Non-sparkling wines containing more than 7% alcohol but not over 40% proof spirit. \$ 0.50 " " Champagne and all other sparkling wines. \$ 2.50 " " Additional levy (applied to domestic and imported wines): Wines containing 7% or less alcohol \$ 0.025 " " Wines containing more than 7% alcohol \$ 0.05 " "
Excise duties	
. Statutory authority	Excise Act; R.S.C. 1970, c. E-12 and amendments.
. Basis and rate	(a) Spirits:  Domestic potable spirits on the strength of proof distilled in Canada.  Non-potable spirits used in the manufacture of:  Medicines, extracts, pharmaceutical preparations, etc.  Approved chemical compositions  Spirit sold to druggist for preparation of prescriptions  Imported spirits taken into bonded manufactory, in addition to other duties  Canadian brandies.  Beer.  (b) Tobacco — On domestic production:  Manufactured tobacco excluding cigarettes  Manufactured tobacco excluding cigarettes  Cigarettes weighing not more than 3 lb. per 1,000  Cigarettes weighing more than 3 lb. per 1,000  Cigars  Canadian raw leaf tobacco when sold for consumption.  O.10 per pound
Comments	<ul><li>(a) These duties do not apply to spirits used to treat domestic wine or in the manufacture of vinegars or cosmetics.</li><li>(b) Imported tobacco products are not subject to excise duties but the custom duties to which they are liable include an element in respect of excise.</li></ul>
Customs import duties	
Statutory authority	Customs Tariff; R.S.C. 1970, c. C-41 and amendments.
Basis and rate	Either ad valorem duty which is based on a percentage of the value of goods imported or specific rates apply under the following categories:
	(a) British preferential (lowest) (applied to imports shipped directly from Commonwealth countries).
	(b) General preferential (applied to goods imported from designated developing countries).
	(c) Most favored nation (under special agreement with various countries. Includes all GATT signatories).
	(d) General (applicable to countries not included in (a), (b) and (c)).
Comments	The rates applicable to a particular item may be obtained from Revenue Canada, Customs and Excise.
Petroleum export charge	
Statutory authority	Petroleum Administration Act; S.C. 1975, c. 47.
Basis and rate	Oil products exported as of June 1978:       \$3.55 per barrel         Lloydminster type crude.       \$3.55 per barrel         Selected crude less than 25° A.P.I.       4.00 " " Condensate.         Condensate.       5.10 " " Motor gasoline.         Motor gasoline.       3.85 " " Middle distillate.         Middle distillate.       3.10 " " Motor gasoline.         Heavy fuel oil.       4.25 " " Motor gasoline.         Partially processed oil.       5.60 " "



# PART II

TAXES LEVIED BY PROVINCIAL GOVERNMENTS



# TAXES LEVIED BY PROVINCIAL GOVERNMENTS

The principal taxes levied by provincial governments are highlighted under three headings:

income taxes, consumption taxes and miscellaneous levies.

### **Income Taxes**

In addition to personal and corporation income taxes, some provincial governments levy capital and gift taxes as well as succession duties. Although the latter are generally considered as taxes on wealth, they are dealt with under the general heading of income taxes.

#### Personal Income Tax

All provincial governments and, as of January 1, 1978, the Northwest Territories levy a tax on the income of individuals who reside within provincial and territorial boundaries and on the income earned by non-residents from sources within such boundaries. The province of residence on the last day of a taxation year, i.e., 31st December, determines the provincial income tax to be paid at the rates prevailing in that province. The tax is calculated on the basis of total income for the year (except business income) regardless of where that income was earned. Residents of a particular province. who have business income allocable to at least one permanent establishment outside that province, are taxed on their total income minus the business income allocable to such establishments situated outside their province of residence.

The rates applicable in each province (as set out in Table 3) are expressed as percentages of "basic federal tax", 1 except in Quebec where rates are based directly on income. Some provinces employ tax credit and rebate measures to alleviate the weight of their taxes on low income taxpayers. These measures are indicated in Table 3. As noted above, the federal government, pursuant to Tax Collection Agreements, collects provincial personal income tax (Quebec excepted) according to the rates and special legislation established under provincial statutes.

The province of Quebec has its own personal tax system under which the tax is computed, not as a percentage of the "basic federal tax" as is the case of the other provinces, but by reference to a graduated rate schedule, devised by the province, which takes into account the federal income tax transfer of 13.5% granted to all the provinces, pursuant to the 1977

federal-provincial fiscal arrangements, and the special abatement of 3% in respect of schooling allowances. However, the latter has been fully recovered from the Quebec government through payments made by the federal government under various federal-provincial agreements since the introduction of federal youth allowances in 1973.

The Quebec system also differs from the federal system in respect of the lower brackets of taxable income, of personal exemptions and of payments of non-taxable supplementary family allowances, which are made in lieu of the federal adjustments to taxable income for changes in the consumer price index. Most of these differences and the Quebec rate schedule are set down in Table 3.

## **Corporation Income Tax**

All provinces, as well as the Northwest Territories, levy a tax on corporation taxable income derived from activities carried on within their jurisdiction. In provinces other than Quebec and Ontario, the provincial corporation income tax is levied on the same base as that established for federal corporation income tax purposes and is collected by the federal government pursuant to Tax Collection Agreements. These provinces can, however, modify somewhat the taxable base. Quebec and Ontario, who collect their own tax, follow closely, but not exactly, the federal rules in the determination of corporation taxable income.

British Columbia, Manitoba, New Brunswick, Newfoundland, Ontario and Saskatchewan levy dual rates; a preferential lower rate for small business corporations which qualify for the federal small business deduction and a higher rate for other corporations.

## **Capital Taxes**

Four provinces: Quebec, Ontario, Manitoba and British Columbia, levy a tax on the paid-up capital of corporations operating within their boundaries. Paid-up capital broadly includes share capital, surplus, long and certain short term debts, and reserves except for depreciation, depletion and doubtful debts, In all four

<sup>&</sup>lt;sup>1</sup> The basic federal tax is the amount computed according to the graduated rate schedule appearing on page xx.

provinces, there are special provisions and rates for specified companies, such as telecommunications companies, banks and other financial establishments. In addition to a capital tax, Quebec levies a tax on places of business.

## Gift Taxes and Succession Duties

As of January 1978, only two provinces are still levying and collecting gift taxes and succession duties: Ouebec and Ontario. The gift tax is levied on the

aggregate taxable value of gifts made by a donor resident in a province as well as a gift of real property situated within a province made by a donor who is not a resident in the province. This tax complements succession duties in the sense that gifts made within a specified period of time prior to death are taken into account for succession duty purposes. The period is five years for both Quebec and Ontario.

For further details on capital and gift taxes and succession duties, including prevailing rates, see Table 4.

## **Consumption Taxes**

Consumption taxes levied by provincial governments conform to the constitutional limitations requiring that they be not only direct, bu that they be exigible within the province. Although this type of tax is paid by the purchaser, it is collected by the supplier or seller, acting as a government agent, who is generally compensated by a commission on the sales tax collected. In such a way, provincial consumption taxes fall under the category of a direct tax. The most important of these levies are taxes on retail sales, motive fuels, tobacco, meals, lodging, telephone services and telecommunications.

#### Retail Sales Tax

All provinces, except Alberta, tax at the retail level a wide range of consumer goods and services purchased in or brought into the province. The tax is payable on the selling price of tangible personal property, defined to include certain services, purchased for own consumption or use and not for resale. Each provincial Act, however, specifies a number of goods that are exempt. Exemptions include items related mainly to necessities of life and to material used in the farming and fishing industries. Table 5 A gives a list of the main exemptions as well as the prevailing rates in each province.

## Motive and Other Fuel Taxes

All provincial governments and territorial administrations impose a tax on fuels purchased within the territory under their jurisdiction. For purposes of taxation, fuels generally include motive fuels, heating fuels and fuel used for operating a stationary engine. Fuels used in certain types of activities such as farming, fishing, mining or logging are either exempt or are taxed at a preferred rate. In all provinces, the motive fuel tax is expressed in terms of a specific rate per gallon which varies in accordance with the kind of products.

#### **Tobacco Taxes**

A tax on sales of cigarettes, cigars and other tobacco products is levied in all provinces and in both the Yukon and Northwest Territories. Although rates of taxation vary among provinces, they generally apply to a quantity of tobacco products; in a few cases the tax takes the form of an *ad valorem* rate based on the retail price.

## Meals and Lodging Tax

Except as noted, all provinces tax transient accommodations and prepared meals priced over a fixed amount. The exemptions are Alberta in both cases and Saskatchewan and British Columbia in the case of meals. In most provinces, these are taxed under the retail sales tax Acts, except in Quebec where such taxes are levied under the Meals and Hotels Tax Act and in British Columbia where the tax on transient accommodations is levied pursuant to the Hotel and Motel Room Tax Act.

However, Quebec has abolished its tax on transient accommodations as of April 12, 1978 and Ontario has suspended it for the period March 8, 1978 to December 31, 1979.

## **Telephone and Telecommunications**

All provinces tax local telephone services under their retail sales tax Act. In most cases, long distance telephone calls and other means of telecommunication are also taxed under the retail sales tax Act. In Quebec and Nova Scotia however these services are taxed under the Telecommunications Tax Act and under the Corporation Tax Act respectively. There is no tax on long distance telephone calls and telecommunications in Alberta.

## Taxes on Alcoholic Beverages

Provincial governments derive substantial amounts of revenue through the sale of alcoholic beverages by provincial agencies operating as boards or commissions which exercise monopolistic control over the distribution of these products. The markups of these agencies are tantamount to taxation and vary with types of products. They are not publicized and thus are not reported in this publication.<sup>2</sup> In certain provinces, beer and/or wine are sold by private retailers as well as by liquor board or commission outlets. In the case of private retailers, licence and other fees are substituted for government markups.

In addition to the markups, sales to individuals are subject to the  $r\epsilon$  all sales tax in most provinces.

Generally, the rates applicable are those prevailing for general retail sales, but in Ontario and Manitoba special rates apply. Licensees, i.e., owners of establishments where alcoholic beverages can be sold for on-premises consumption, do not pay the sales tax on their purchases but act as collecting agents for the tax paid by the purchaser. In Quebec, this latter tax is levied under the Meals Tax Act. The Yukon Territory imposes a surcharge on all liquor purchased at a government liquor store.

Rates of and details on the above-described consumption taxes, other than the general sales tax, are given in Table  $5\,\mathrm{B}$ .

### Miscellaneous Provincial Levies

Provincial governments resort to a variety of levies related to the exploitation of natural resources within their boundaries, to motor vehicle driving and registration, to admissions to places of amusement and to race track bettings. Ontario, Alberta, British Columbia and the Yukon Territory levy premiums and Quebec, a flat rate personal income tax and a payroll tax, to help finance their hospitalization and medical care programs. However, as of January 1, 1978, Quebec has incorporated its flat rate personal income tax into its personal income tax graduated scale rates.

Five provinces (Prince Edward Island, New Brunswick, Nova Scotia, Ontario and British Columbia) levy real property taxes. In Prince Edward Island and New Brunswick, where services formerly carried out by municipal authorities (education, health, welfare and

administration of justice) were taken over by provincial governments, the real property tax field is shared by provincial and municipal governments. The provincial governments levy a flat rate real property tax on a province-wide basis and each municipality has its own separate rate as required to meet its expenditure. All collections, however, are made by the provinces which remit the municipal share to individual municipalities. Nova Scotia levies a "land tax" of limited application. In unorganized (non-municipal) areas, Ontario imposes a property tax on the assessed value of any land and fixes a minimum annual amount. British Columbia levies and collects a provincial property tax in non-municipally organized areas at rates varying between farm and wild land.

Details on most of the above-mentioned levies are contained in Table 6.

## 1978 Changes in Provincial Taxes

The following list includes only basic modifications. Technical changes to the laws pursuant to which taxes are levied are omitted.

#### 1. Personal Income Tax

(a) New Brunswick – The rate is reduced from 55.5% to 54% effective January 1, 1978 with a further decrease to 51.5% on January 1, 1979.

(b) Quebec — Effective January 1, 1978, the basic exemption is raised from \$1,600 to \$3,600. The additional exemption for persons taxed as married is raised from \$1,900 to \$2,700 and the net earnings permissible for a dependant spouse is raised from \$500 to \$1,000. Consequently, the total exemption for a married taxpayer, whose spouse's income does not exceed \$1,000, increases from \$3,500 to \$6,300. The exemption for a child or other dependants aged 18 and over is increased from \$550 to \$900 and for persons aged 65 and over, from \$1,000 to \$1,500 as is the exemption for the handicapped or taxpayer supporting a handicapped person. As of July 1, 1978, the flat rate personal income tax related to

<sup>&</sup>lt;sup>2</sup> For information on the sale of alcoholic beverages, refer to *The Control and Sale of Alcoholic Beverages in Canada*, Catalogue 63-202.

employees' contributions to hospitalization is abolished as such and incorporated into the income tax graduated scale depicted in Table 3. New expenses have been added to the list of exemptions while some existing ones have been either wholly or partially withdrawn. In the first instance, legal expenses incurred for the purpose of obtaining an alimony or for having it reviewed become deductible from income. Changes regarding ownership and usage of an automobile, when an individual uses the same car for both business and personal reasons fall into the latter category. Some measures affecting personal income tax will come into effect in 1979, for example, the indexation of taxable income which. for 1979, is fixed at 6% and the introduction of a property tax credit. This tax credit will be equal to 40% of the property tax to a maximum tax of \$1,000, less 2% of the household's taxable income, and will not exceed \$400.

- (c) Ontario As of 1978, the basic property tax credit to pensioners has been increased from \$290 to \$510. Further, taxpayers with taxable incomes of \$2,310 or less are exempt from provincial tax. Formerly the threshold was \$1,680.
- (d) Manitoba The personal income tax rate is reduced from 56% to 54%. The personal income tax surcharge of 20% of provincial income tax exceeding \$2,318 is to be removed, effective December 31, 1978.
- (e) Saskatchewan Personal income tax is reduced from 58.5% to 53% of basic federal tax as of January 1, 1978. General tax cut is increased from \$120 to \$160 for 1978. The 10% surtax is reduced by applying to provincial tax payable in excess of \$4,000 instead of the former \$2,000. New deduction of \$30 for dependant child to a maximum of \$180 becomes effective in 1978. The \$160 tax cut and the deduction for dependant children will decrease as income tax rises. The decrease is equal to 15% of the amount by which the provincial tax exceeds the taxpayer's maximum tax reduction.
- (f) Northwest Territories Effective January 1, 1978, the territorial government will, for the first time, levy a personal income tax. The rate in effect for 1978 is 43%.

### 2. Corporate Income Tax

(a) Newfoundland — Corporate income tax is lowered to 12% from 14%, as of January 1, 1978 (for small business).

- (b) Ontario Corporation tax is raised from 9% (small business) and 10% to 10% and 13% respectively. The tax treatment of insurance companies is brought into line with federal legislation. The provision which renders claimable against any source of income capital cost allowance on new, multiple-unit residential rental buildings will be extended for one year to include construction commenced prior to 1979. Accelerated depreciation for pollution-control equipment is extended to cover equipment acquired before 1980. Corporations will now be required to pay taxes in 12 monthly installments at month end as opposed to the former system of six bi-monthly payments. This last measure parallels federal policy and will be effective for corporations with fiscal years commencing on or after July 1, 1978.
- (c) Manitoba The small business rate is lowered from 13% to 11% for 1978. The 15% rate for large corporations, which includes a 2% surcharge due to expire on January 1, 1979, will be extended beyond the expiry date.
- (d) Saskatchewan The small business rate is lowered from 12% to 11% as of January 1, 1978.
- (e) Northwest Territories Effective January 1, 1978, the territorial government (as is the case with personal income tax) introduced its own corporate income tax. For 1978, the rate is 10%.

### 3. Capital Tax

- (a) Ontario The capital tax for loan and trust companies will be calculated in the same manner as it is for banks. The paid-up capital rate is increased from 3/10 of 1% to 3/5 of 1%. These changes apply to the fiscal years of corporations ending after March 7, 1978.
- (b) Manitoba Effective April 1, 1978, the minimum exemption from corporation capital tax is raised from \$100,000 of taxable capital to \$500,000.
- (c) British Columbia Effective April 1, 1978, the exemption limit under the corporation capital tax is increased from \$100,000 to \$500,000. As well, provision is made for a graduated tax rate for companies with capital between \$500,000 and \$600,000.

### 4. Gift Tax

(a) Manitoba — The gift tax is repealed, effective after October 10, 1977.

**(b) Quebec** — As of April 19, 1978, the graduated rate scale is replaced by a single rate of 20%, with an exemption for gifts between spouses.

#### 5. Succession Duties

- (a) Quebec Effective for estates opened after April 28, 1978, a new single tax table with rates ranging from 20% to 35% will apply, replacing the former three table system. Each heir is to be taxed according to his own inheritance, regardless of the total amount of the succession. Further, the basic exemptions will apply only to the persons who inherit and not to the succession as a whole. The new system of exemptions is depicted in Table 4.
- (b) Manitoba The Succession Duty Act is repealed, effective October 11, 1977.

## 6. General Retail Sales Tax

- (a) Newfoundland The sales tax rate is raised to 11% from 10% effective March 18, 1978; however the rate is reduced to 8% for six months beginning April 10, 1978. Effective March 18, 1978, domestic consumption of electricity and wood-burning stoves and furnaces are exempt.
- (b) Prince Edward Island The sales tax rate is lowered from 8% to 5% for six months effective April 10, 1978. As of April 1, 1978, the exemption threshold prepared meals has been raised from \$2.00 to \$5.00 Further, status Indians are no longer required to pay sales tax on goods purchased for consumption on the reserve, excepting prepared meals and alcoholic beverages.
- (c) Nova Scotia Solar heating equipment and windmills are now exempt. Effective April 10, 1978, the sales tax is reduced from 8% to 5% for a period of six months.
- (d) New Brunswick Effective April 4, 1978, the 8% sales tax on all building materials except insulation is re-introduced. The sales tax rate is reduced from 8% to 5% for a period of six months, beginning April 10, 1978.
- (e) Quebec Effective midnight April 12, 1978, until March 31, 1979, the sales tax on clothing, textiles, shoes and furniture, excluding appliances, is abolished. The sales tax on films, magnetic tape, video tape, records and goods of a similar nature is also abolished in the case of purchases of these goods for the purpose of public broadcasting. Exemption is also granted to sales to the handicapped of any apparatus designed to compensate for a physical handicap and the tax paid on a vehicle which is later on adapted to the transportation of the handicapped is subject to reimbursement.
- (f) Ontario As of March 8, 1978, the 7% tax on accommodation and American plan purchases will be withdrawn for the period ending December 31, 1979. The exemption for energy conservation mater-

- ials is extended to storm and double-glazed doors and windows. The exemption for railway rolling stock and parts is withdrawn and a 7% tax will be applied on the basis of miles travelled in Ontario. Finally, as of April 10, 1978 the sales tax is lowered from 7% to 4% for a period of six months and the 10% tax on meals over \$6.00 and on alcoholic beverages is reduced to 7% for the same period.
- (g) Manitoba Effective April 10, 1978, the sales tax is reduced from 5% to 2% for a six-month period. The sales tax is to apply to 50% of the selling price of mobile homes, excluding furnishings, and 55% of the price of modular homes. The partial sales tax exemption on insulation materials will be broadened to cover commercial purchases. Triple-glazed doors and windows will be included under the exemption. Effective April 1, 1978, the sales tax on steam heat is eliminated.
- (h) Saskatchewan Sales of under \$0.26 are now exempt. (Formerly, the ceiling was \$0.15.) As of April 10, 1978, the sales tax rate is reduced from 5% to 3% for a six-month period. Provision now exists for a refund of tax paid on purchases of mobile homes.
- (i) British Columbia Effective midnight, April 10, the sales tax is reduced from 7% to 5% on all taxable purchases except alcoholic beverages. Exemption is granted for one year on new or repaired machinery having a minimum unit value of \$100 when purchased by a small business. Certain farm equipment and survival suits purchased by fishermen are similarly exempt for one year. Finally, the sales tax is now imposed on promotional materials circulated for business purposes.

#### 7. Motive and Other Fuel Taxes

- (a) Quebec For vehicles used in off-highway mining, forest and farm operations, the existing tax of \$0.25 on diesel fuel and \$0.19 on gasoline is reduced to \$0.03, as of April 19, 1978.
- (b) Manitoba Effective April 11, 1978, all farm trucks will be eligible to tax-free motive fuel. Presently, only farm trucks using gasoline or diesel fuel and which have no more than two axles are permitted this exemption. Municipalities will be allowed to use tax-exempt marked diesel fuel in off-highway equipment, replacing the partial refund which they are presently allowed. Tax exempt purple fuel may now be used in chain saws and "tree farmers". Previously, provision existed only for partial refunds in both cases. Interprovincial truck operators who purchase excess amounts of fuel in Manitoba now qualify for a refund, provided the tax is paid to another province.
- (c) Alberta Effective midnight March 31, 1978, the fuel oil tax is eliminated on virtually all gasoline and diesel fuel purchased in Alberta. Locomotive and aviation fuel continues to be subject to a \$0.03 per gallon tax.

#### 8. Tobacco Tax

- (a) Newfoundland The tax on cigarettes is increased from \$0.012 to \$0.0135 per cigarette, on March 18, 1978
- (b) New Brunswick Effective April 4, 1978, the tax on cigarettes is increased from \$0.004 to \$0.007. The tax on cut tobacco is raised from \$0.04 to \$0.08 per ounce.
- (c) Quebec The tax on cigarettes is raised from \$0.008 to \$0.0108. The rate of tax on cigars and pipe tobacco is raised from 25% to 30%. The tax on cigars, selling \$0.10 or less, is raised from \$0.01 to \$0.02. All these increases became effective April 19, 1978.
- (d) Ontario As of March 8, 1978, the tax on cigarettes is increased from \$0.0096 per cigarette to \$0.011 and the tax on cigars, as follows:

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The tax rate on cut tobacco is increased from 35/100 of \$0.01 to 4/10 of \$0.01 per gram of tobacco.

(e) Manitoba — The tax on cigarettes is raised from \$0.008 to \$0.01 per cigarette, effective May 1, 1978. The tax on other tobacco products is raised from \$0.04 to \$0.05 for every half-ounce or part of one half-ounce, or from \$0.07 to \$0.09 for every 25 grams or part of 25 grams.

The tax on cigars is increased as follows:

Retail p	orice			New tax rate								
\$0.04 or	less	 	 		from	\$0.015	to	\$0.02				
0.05 to	\$0.06	 	 		66	0.02	to	0.025				
0.07 to	0.09	 	 		66	0.03	to	0.04				
0.10 to	0.12	 	 		66	0.04	to	0.05				
0.13 to	0.15	 	 		6.6	0.05	to	0.06				
0.16 to	0.18	 	 		66	0.06	to	0.08				
0.19 to	0.21	 			. "	0.07	to	0.09				
0.22 to	0.24	 			66	0.08	to	0.10				
0.25 to	0.30	 			6.6	0.10	to	0.13				
0.31 to	0.39	 			66	0.13	to	0.16				
0.40 to	0.48	 			6.6	0.16	to	0.20				
0.49 or	more .	 			66	0.20	to	0.25				

(f) Saskatchewan — The tax on cigarettes is raised from \$0.008 to \$0.0096 each; the tax rate for other tobacco, from \$0.04 to \$0.05 per half-ounce. The tax on cigars is increased as follows:

Cigar value	Tax increases					
\$0.10 or less	from \$0.02 to \$0.03 each					
0.11 to \$0.20	" 0.04 to 0.05 "					
Over \$0.20	" 0.08 to 0.10 "					

All the new rates become effective March 8, 1978.

(g) British Columbia The tax on cigarettes is increased from \$0.0048 to \$0.0096 each on April 11, 1978. The tax on cigars is increased as follows:

Retail p	orice	New tax rates								
\$0.05 or	less						from	\$0.01	to	\$0.02
0.06 to	\$0.09						66	0.02	to	0.03
0.10 to	0.13						44	0.03	to	0.05
0.14 to	0.17						66	0.04	to	0.07
0.18 to	0.25				٠		66	0.06	to	0.10
0.26 to	0.33			٠	٠		6.6	0.08	to	0.16
0.34 to	0.41				٠		6.6	0.10	to	0.20
0.42 to	0.49			٠			6.6	0.12	to	0.24
Over \$0.4	49						66	0.15	to	0.30

The tax on other tobacco products is increased from \$0.03 to \$0.055 per half-ounce.

## 9. Meal and Lodging Tax

Quebec — Effective midnight, April 12, 1978, the 8% tax is abolished on all hotel rooms as well as on meals that are included in the room price. The tax on service charges included in the price of meals is also abolished.

#### 10. Amusement Tax

**Prince Edward Island** — Effective June 9, 1977, the admission price exemption has been raised to \$1.00 from \$0.80.

#### 11. Insurance Premium Tax

- (a) Newfoundland The premium tax is raised from 10% to 11% effective March 18, 1978.
- (b) Ontario The rate is reduced from 3% to 2% on accident, sickness and all life insurance premiums, effective March 8, 1978. The current 3% rate will continue to apply to all other forms of insurance.

## 12. Mining and Mineral Taxes

(a) Ontario — Qualifying assets related to a new mine or to a major expansion of an existing mine may be written off at a 100% rate against profits derived from mining operations. The unused balance of the processing allowance can be carried forward for the three years immediately preceding a given taxation year, provided that the current processing allowance is first deducted. Total allowance claimed in a given year cannot exceed 65% of combined mining and processing profits. The costs of processing Ontario ore incurred outside Canada will be allowed as a

- deductible expense. The measures outlined above came into effect March 7, 1978.
- (b) Manitoba Amendments to the Mineral Acreage Tax Act received Royal assent on December 15, 1977. Among other things, these amendments limit the application of the \$0.10 per acre tax to the years 1973 to 1976.
- (c) Alberta Effective January 25, 1978, production from exploratory crude oil wells commenced before April 1, 1981, will be exempt from the payment of royalties for the first 60 months of operation. Production from exploratory natural gas wells will be exempt for the initial 12 months.

## 13. Hospitalization and Medical Care Premiums

(a) Ontario — As of May 1, 1978 monthly premiums are increased from \$16 to \$19 for single persons and from \$22 to \$38 for families. Complete and partial payments of the premiums by the province are also modified. Maximum taxable income for which complete payments apply is increased from \$1,534 to \$2,500 for single persons and from \$2,000 to \$3,000 for families. Further, the taxable income for which the province is paying 50% of the premium is increased from \$1,534 - \$2,000 to \$2,500 - \$3,000 for single persons and from \$2,000 - \$3,000 to \$4,000 - \$4,500 for families. Finally, families with taxable income ranging between \$3,000 and \$4,000

- will pay only 25% of the premium and those with income between \$4,500 and \$5,000 will pay 75% of the premium.
- (b) Alberta As of July 1, 1978, health care insurance premiums will go up by 8.5%. Rate changes are as follows:

										Former	New
Single		٠	٠	٠		۰				\$ 84.60	\$ 91.80
Family								٠		169.20	183.60

Single persons with taxable income below \$2,000 and families with taxable income below \$3,000 will have no premium to pay. Previously, individuals and families had to have no taxable income in order to qualify. Further, taxable income eligible to a partial subsidy as well as the amount of the subsidy go up as follows: for individuals, the taxable income is increased from \$1 - \$500 to \$2,000 - \$3,000 and the subsidy, from \$43.20 to \$46.80; and for families, the taxable income goes from \$1 - \$1,000 to \$3,000 - \$4,000 and the subsidy, from \$86.40 to \$93.60.

The above-listed changes in provincial taxes are incorporated in Tables 3 to 6. Modifications in most of these taxes can be traced over a six-year period in the historical tables included in Part IV of this publication.

TABLE 3. Income Taxes Levied by Provincial Governments

	TABLE 3. Income Taxes Levied by Provincial Governments											
No.	Category	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec						
1	Personal income tax Statutory authority	The Income Tax Act; R.S.N. 1970, c. 163.	The Income Tax Act; R.S.P.E.I. 1974, c. 1-1 and amend- ments.	The Income Tax Act; R.S.N.S. 1967, c. 134 and amend- ments.	The Income Tax Act; R.S.N.B. 1973, c. 1-2.	The Taxation Act; S.Q. 1972, c. 23 and amendments.						
			monts.	monts.								
2	Basis	Basic federal tax.	Basic federal tax.	Basic federal tax.	Basic federal tax.	Taxable income of individuals.						
3	Rate	58%	50%	52.5%	54%	13% on the first \$577 of taxable income \$ 75.01 on \$ 577 plus 14% on the next \$ 667 168.39 " 1,244 " 15% " " " 771 284.04 " 2,015 " 16% " " 891 426.60 " 2,906 " 17% " " 1,030 601.70 " 3,936 " 18% " " " 1,191 816.08 " 5,127 " 19% " " 1,377 1,077.71 " 6,504 " 20% " " " 1,591 1,395.91 " 8,095 " 21% " " " 1,840 1,782.31 " 9,935 " 22% " " " 2,126 2,250.03 " 12,061 " 23% " " 2,458 2,815.37 " 14,519 " 24% " " 2,841 3,497.21 " 17,360 " 25% " " 3,284 4,318.21 " 20,644 " 26% " " 3,797 5,305.43 " 24,441 " 27% " " 4,388 6,490.19 " 28,829 " 28% " " 5,073 7,910.63 " 33,902 " 29% " " 5,864 9,611.19 " 39,766 " 30% " " 6,778 11,644.59 " 46,544 " 31% " " 7,836 14,073.75 " 54,380 " 32% " " 6,334 16,100.63 " 60,714 " 33% on the remainder						
4	Comments	-		_	_	Personal exemptions: Individuals taxed as married						
	Composition in some two											
5	Corporation income tax Statutory authority	The Income Tax Act; R.S.N. 1970, c. 163.	The Income Tax Act; R.S.P.E.I. 1974 c. 1-1 and amendments.	The Income Tax Act; R.S.N.S. 1967, c. 134 and amendments.	The Income Tax Act; R.S.N.B. 1973, c. 1-2.	The Taxation Act; S.Q. 1972, c. 23 and amendments.						
6	Basis	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.						
7	Rate	14%/12%	10%	12%	12%/9%	12%						
8	Comments	The lower rate is applicable to small businesses.	-	-	The lower rate is applicable to small businesses.	-						

			evied by Provincial Governme	-iits	
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Northwest Territories
he Income Tax Act; R.S.O. 1970, c. 217 and amend- ments.	The Income Tax Act (Manitoba); R.S.M. 1970, c. 1-10 and amendments.	The Income Tax Act; R.S.S. 1965, c. 62 and amendments.	The Alberta Income Tax Act; R.S.A. 1970, c. 182 and amendments.	The Income Tax Act; S.B.C. 1962, c. 27 and amendments.	Income Tax Ordinance S.N.W.T. 1977 (3d) c. 1.
sic federal tax.	Basic federal tax.	Basic federal tax.	Basic federal tax.	Basic federal tax.	Basic federal tax.
44%	: 54%	53%	38.5%	46 '	43%
		i	1		
tax credit which is the ag-	Surtax of 20% on provincial	Surtax of 10% on provincial	A renter credit which is:	A roptor gradit of \$100 minus	
regate of:  Property tax credit (lesser of \$400 or occupancy cost, plus 10% of occupancy cost).  Sales tax credit (1% of personal exemptions).  Pensioner tax credit (\$110 for each personage 65 or over).	income tax exceeding \$2,318. A property tax credit which is the lesser of: (a) \$375 less 1% of taxable income (minimum \$225). (b) Total property taxes or 20% of total rental payments. A cost of living tax credit	income tax in excess of \$4,000.	(a) \$90 plus 2% of total rent payments less 1/2 of 1% of taxable income. (b) 20% of rent paid less 1/2 of 1% of taxable income, when the total rent is less than \$500. The minimum credit is the lesser of \$50 or 20% of total rent paid.  A reduction of \$231 minus Alberta basic tax plus the	A renter credit of \$100 minus 1% of taxable income, for individuals with gross income under \$15,000. Maximum credit 10% of annual rent.  Minimum credit \$80 for senior citizens.  Taxpayers with taxable incomes of \$1,715 or less are exempt from provincial tax.	
2% of taxable income.  ximum credit of \$750.)  payers with taxable inmes of \$2,310 or less are empt from provincial tax.	which is: 3% of personal exemptions less 1% of taxable income.  Taxfilers who pay no federal tax are exempt.		lesser of \$300 or \$50 per dependant child under 18. ' Taxfilers who pay no federal tax are exempt.		
Corporations Tax Act; O. 1972, c. 143 and amendents.	The Income Tax Act (Manitoba); R.S.M. 1970, c. 1-10 and amendments.	The Income Tax Act; R.S.S. 1965, c. 62 and amendments.	The Alberta Income Tax Act; R.S.A. 1970, c. 182 and amendments.	The Income Tax Act; S.B.C. 1962, c. 27 and amendments.	Income Tax Ordinance S.N.W.T. 1977 (3d) c. I.
able income earned in e province.	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.	Taxable income earned in the province.
13%/10%	15%/11%	14%/11%	11%	15%/12%	10%
lower rate is applicable to all businesses.	The lower rate is applicable to small businesses.	The lower rate is applicable to small businesses.	-	The lower rate is applicable to small businesses.	
		Portion of tax dependant on the inclusion in the tax base of royalties paid by produc- ers of petroleum, natural gas, metal and industrial mineral is refundable.	Portion of tax dependant on the inclusion in the tax base of royalties paid by produc- ers of petroleum, natural gas, metal and industrial mineral is refundable.	Portion of tax dependant on the inclusion in the tax base of royalties paid by produc- ers of petroleum, natural gas, metal and industrial mineral is refundable.	

TABLE 4. Capital and Gift Taxes and Succession Duties

	TABLE 4. Capital and Gift Taxes and Succession Duties											
No.	Category	New- found- land	Prince Edward Island	Nova Scotia	New Bruns- wick	Quebec						
	Capital tax											
1	Statutory authority	-	_	- '	_	The Taxation Act; S.Q. 1972, c. 23 and amendments.						
2	Busis		_		_	(a) Paid-up capital of corporations, (b) Places of business in province. (c) Inoperative corporations.						
3	Rates	-		-	-962	(a) 1/5 of 1%. (b) \$50 (\$25 when paid-up capital is less than \$25,000). (c) \$20.						
4	Comments		-	-		Other rates and/or bases of taxation apply to certain classes of corporations, i.e., banks, loans, telegraph, railway, gasoline, liquor, investment, mining.  A special tax in the form of an additional 1/3 or 1% is levied on telephone and oil refining corporations paid-up capital.						
	Gift tax											
5	Statutory authority	-	-	-	Aut	The Taxation Act; S.Q. 1972, c. 23 and amendments.						
6	Basis	-			~	Aggregate taxable value of gifts made in the year.						
7	Rates	_			-	20%						
8	Exemptions	,	-	-	_	Gifts between spouses.						
9	Comments	-	-	-	_	-						
	Currentian duties											
10	Succession duties Statutory authority					The Succession Duties act; R.S.Q. 1964, c. 70 and amendments.						
10	Statutory authority		_		_	The Succession Duties act, K.S.Q. 1904, C. 70 and antenuments.						
11	Basis	-		-	_	Inheritance received by each heir.						
12	Rates.	-	-	-	-	20% on the first \$100,000 \$ 20,000 on \$ 100,000 plus 23% on next \$ 100,000 43,000 " 200,000 " 26% " " 300,000 121,000 " 500,000 " 29% " " 500,000 266,000 " 1,000,000 " 32% " " 1,000,000 586,000 " 2,000,000 " 35% on remainder.						
13	Exemptions	-	-	-	-	Bequests between spouses.  \$75,000 for each child and other dependant with the unused part of the exemption transferable to heirs who are descendants of the child or the spouse.  Additional exemption of up to \$50,000 for each child and other dependant under the age of 26.  \$50,000 for each child and other dependant who is mentally or physically handicapped.  Administrative exemption of \$5,000 for each beneficiary (other than the ones mentioned above).  Duties on farm property and shares of private corporations are reduced by half.						
14	Comments			_	-	-						

TABLE 4. Capital and Gift Taxes and Succession Duties

	Tribel 4. Capital and Gift Taxes and Success	Sion Duties			
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	No.
The Corporations Tax Act; S.O. 1972, c. 143 and amendments.	The Corporation Capital Tax Act; S.M. 1976 c. 68.			The Corporation Capital Tax Act; S.B.C. 1973, c. 24 and amendments.	1
Paid-up capital of corporations.	Paid-up capital of corporations.			Paid-up capital of corporations.	2
3/10 of 1%.	1/5 of 1%.	-		1/5 of 1%.	3
\$50 when paid-up capital does not exceed \$50,000. \$100 when paid-up capital is greater than \$50,000 but less than or equal to \$100,000. 3/5 of 1% for banks, loan and trust companies.	Exemptions include: corporations with paid-up capital under \$500,000; cooperatives, credit unions, family farms and charitable corporations.			Exemptions include: corporations with paid-up capital under \$500,000; corporations exempt under the Income Tax Act (Canada); credit unions, cooperatives and family farms.	4
The Gift Tax Act; S.O. 1972, c. 12 and amendments.	-	-			1 5
Aggregate taxable value of gifts made in the year.	-	~	-	-	6
15% on the first \$25,000 \$ 3,750 on \$ 25,000 plus 20% on next \$25,000 8,750 " 50,000 " 25% " " 25,000 15,000 " 75,000 " 30% " " 25,000 22,500 " 100,000 " 35% " " 25,000 31,250 " 125,000 " 40% " " 25,000 41,250 " 150,000 " 45% " " 50,000 63,750 " 200,000 " 50% on remainder.	-			-	7
Testamentary gifts and gifts taking effect on the death of the donor.  Gifts to Canadian charitable organizations or to any government in Canada.  All gifts to a spouse without limitation as to amount. Gifts up	-				8
to \$10,000 year to any other donee with an aggregate annual maximum of \$50,000.  Exemption of \$75,000 for a gift of farming assets or the shares of a Canadian family-owned small active business corporation.					1
	-				9
The Succession Duty Act; R.S.O. 1970, C. 449 and amendments.			-	Aut	10
<ul><li>(a) Aggregate value of succession.</li><li>(b) Share or each individual's inheritance.</li></ul>			-		11
(a) On estate:  Preferred line - 11% to 28%.  Collateral line - 24% to 34%.  Strangers - 35% to 70%.  (b) On individual's share in estate:  Preferred line - 6.5% to 30%.  Collateral line - 8.5% to 26%.	_		-	_	12
Strangers – Nil.  Estates valued at \$300,000 or less.		-			13
Estates passing to a surviving spouse.  An additional \$3,000 for each full year that a dependant child is under 26 years of age, and an additional \$6,000 for each full year that an orphan or an invalid is under 26 and 71 years of age respectively.		·			
Duty imposed on certain farming assets and shares of corporations that qualify for a small business deduction are forgiven over a period of 10 years.  Bequests to Canadian charitable organizations and to the gov-					
ernments of Canada or the province. Individual bequests of \$500 or less. Employees of deceased \$1,000.					
The total rate applied to the individual's share is the sum of (a) and (b).	-			-	14

TABLE 5 A. General Retail Sale Taxes Levied by Provincial Governments

	TABLE 5 A. General Retail Sale Taxes Levied by Provincial Governments									
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec				
1	Statutory authority	Retail Sales Tax Act; S.N. 1972, c. 56 and amendments.	The Revenue Tax Act; R.S.P.E.I. 1974, c. R-14 and amend- ments.	Health Services Tax Act; R.S.N.S. 1967, c. 126 and amend- ments.	Social Services and Education Tax Act; R.S.N.B. 1973, c. S-10.	Retail Sales Tax Act; R.S.Q. 1964, c. 71 and amendments.				
2	Basis	Purchase price of tan- gible personal property and	Purchase price of con- sumer's goods bought in or brought into the province.	Purchase price of tangible personal property.	Purchase price of tangible personal property.	Purchase price and rent of movable property.				
3	Rate <sup>1</sup>	service. 11% (temporary reduction to 8%).	8% (temporary reduc-	8% (temporary reduction to 5%).	8% (temporary reduction to 5%).	8%				
4	Taxable services	Accommodation; telephone; telecommunication; natural and manufactured gas; construction or rental of tangible personal property; repairs of real or personal property; dry cleaning.	tion to 5%). Accommodation; telephone and telecommunication services; repair and installation labour; dry cleaning services.	Transient accommodation; telephone service; electricity.	Accommodation; tele- phone and telecom- munication services; repairs.	Telephone, gas, electricity; repairs.				
_	Main exemptions:		T 1 1 . C 1 1	Front and food and	Facility of Carloss 4	Frankrike (annual ann				
5	Food	Food, hospital prepared meals; natural water; prepared meals (\$3 or less).	Food and food prod- ucts for human consumption (ex- cept confections): prepared meals (\$5 or less): soft drinks; natural water.	Food and food prod- ucts for human con- sumption (except confections and soft drinks); prepared meals (\$3 or less); natural water.	Food and food prod- ucts for human consumption (ex- cept confections and soft drinks); prepared meals (\$2 or less); natural water.	Foodstuffs (except candies and soft drinks) beer; weak cider; natural water.				
6	Clothing	Clothing and footwear.	Clothing including fabrics and accessories; footwear.	Clothing and footwear.	Clothing and footwear.	Clothing, textiles and footwear purchased between April 13, 1978 and March 31, 1979.				
7	Farming	Repairs to tractors; farm equipment and machinery; livestock or livestock prod- ucts; plants; feed; seed; fertilizer;	Farm implements; machinery and supplies; livestock; plants; feed; seed; fertilizer; chemical controls.	Farm implements; ma- chinery and sup- plies; plants; feed; seed; fertilizer; chemical controls; drainage tiles.	Farm implements; ma- chinery and sup- plies; plants; feed; seed; fertilizer; chemical controls; drainage tiles.	Farmers merchandise; farm implements; ma- chinery and supplies; feed; seed; fertilizer; chemical controls; drainage tiles.				
8	Commercial fishing	chemical controls. Boats; equipment; apparatus and supplies; vessels (not exceeding 300 tons	Boats; equipment and apparatus.	Boats; equipment and apparatus.	Boats; equipment and apparatus.	Boats; equipment and apparatus.				
9	Fuel	gross). Gasoline; wood; furnace fuel; stove oil; fuel oil, gas and coal for manufacturing electricity; domestic constitution foliate in the constitution of the consti	Gasoline; coal; coke; diesel fuel; stove oil; fuel oil; firewood; electricity; natural and manufactured	Gasoline; coke; coal; fuel oil; natural and propane gas; fire- wood.	Gasoline and fuel oil; coal; coke; firewood; electricity; natural and manufactured gas.	Gasoline; kerosene and fuel oil; coal; fire- wood; propane gas for manufacturing.				
10	Health	sumption of electricity.  Medicaments on pre- scription; X-ray pic- tures and plates on prescription or	gas. Medicaments; health appliances; house- hold cleaning and first aid supplies;	Medicaments; health appliances; tooth- paste; baby's needs; personal hygiene	Drugs and medicaments on doctor's prescrip- tion; health appli- ances.	Medicaments on doctor's prescription; health appliances.				
11	Educational and published materials	health appliances. Text books; school books and newspapers published	hygienic supplies. Classroom supplies; certain books and periodicals.	supplies. School supplies; certain books and periodicals.	Classroom supplies; certain books, peri- odicals; microfilm;	Classroom supplies and printed books and periodicals.				
12		within the province.			photocopy.					
	cessing material		Machinery, apparatus, goods for manufacture; clay; sand; gravel; unfinished stone.							
13	Transportation equipment	Certain aircraft; vessels of more than 300 tons gross; railway rolling stock; motor vehicles under spe- cific conditions.	Certain commercial vessels or boats.	Certain boats; aircraft; railway rolling stock; Indians' motor vehicles and snowmobiles.	Certain boats; aircraft and railway rolling stock.	-				
14	Miscellaneous	Sales under \$0.20. Certain household goods and equipment; securities; Olympic coins; containers; trailers for residence in Labrador; certain companies purchase, ships' stores; insulation materials; wood-burning stoves and furnaces.	Sales under \$0.26; funeral caskets; ships' stores; tobacco; settlers' effects; pets; insulating materials; storm windows and doors; alternate energy sources; certain purchases made by Indians.	Sales under \$0.26 (other than cigarettes and cigars); funeral caskets; settlers' effects. Olympic coins; ships' store; certain explosives; thermal insulation materials; solar heating equipment and windmills:	Sales under \$0.26; to-bacco; funeral caskets; certain explosives; ships' stores; settlers' effects; laundry and drycleaning services; thermal insulation materials.	Sales under \$0.26; securities; money; tobacco; admissions; fares on transportation systems; certain Indians purchases; furniture purchased on or between Aprill 3,1978 and March 31,1979; films, magnetic tape and similar goods used in broadcasting.				
15	Comments.	Mobile homes are taxed on 50% of the sale price.	Liquor purchased through liquor com- missions is taxed un- der the Health Tax Act (see Table 5 B).	New mobile homes are taxed on 50% of the sale price and used units are exempt.	Mobile home furnished: 6%, unfurnished and modular home: 4%	New residential mobile homes are taxed on 50% of the sale price and used units are exempt; special rate of 2% on sale of radio or television broadcasting services used for publicity.				

<sup>1</sup> For an account of the temporary reductions in provincial sales taxes, see page 25 of this publication.

TABLE 5 A. General Retail Sale Taxes Levied by Provincial Governments

	TABLE 5 A. General Retail Sale T	axes Levied by Provincial Governmen	te	
Ontario	Manitoba	Saskatchewan	British Columbia	No.
The Retail Sales Tax Act; R.S.O. 1970, c. 415 and amendments.	The Revenue Tax Act; R.S.M. 1970, c. R150.	The Education and Health Tax Act; R.S.S. 1965, c. 66 and amendments.	The Social Services Tax Act; R.S.B.C. 1960, c. 361 and amendments.	1
Purchase price of tangible personal property and taxable service.	Purchase price of tangible personal property or service.	Purchase price of tangible personal property or taxable service.	Purchase price of tangible personal property or service.	2
7% (temporary reduction to 4%).	5% (temporary reduction to 2%).	5% (temporary reduction to 3%).	5%	3
Transient accommodation; telephone service including long distance, telegraph; natural and manufactured gas; fixtures rented separately from real property.		Lodging; telephone (over \$0.49) and other telecommunications; electricity; gas (used in internal combustion engine).	Telephone, electricity; natural or manufactured gas.	4
Food products for human consumption (except confections and soft drinks); prepared meals (\$6 or less); natural water, liquor, beer or wine for special occasions.	Food and drink for human consumption (except liquor); prepared meals (\$3 or less); natural water.	Prepared meals; natural water.	Food products for human consumption; prepared meals; confections; soft drinks; draught beer, natural water.	5
clothing; used clothing and footwear (under \$50).	Children's clothing and footwear; used clothing (less than \$25); used footwear (less than \$5 repair to foot-	-	Children's clothing and footwear; used clothing and footwear.	6
Agricultural products including livestock; farm equipment, implements and supplies; plants; feed; seed; fertilizer; chemical controls.	wear), Farm horses; farm implements; machine- ry and parts; plants; feed; seed; fertilizer; chemical controls.	Agricultural products including live- stock; farm machinery, implements and supplies; plants; feed; seed; fertilizer; grain; chemical controls.	Farm implements; machinery, parts, supplies; livestock; plants; feed; seed; fertilizer; grain; chemical controls; steel granaries.	7
30ats; equipment and apparatus.	Boats; equipment and apparatus.	Equipment.	Boats; equipment and apparatus.	8
'uel, gasoline; coal; coke; wood; natural gas; electricity.	Certain gasoline; motive fuel; natural or manufactured gas; coal, wood.	Fuel, petroleum products; liquefied gases for heating; coal; wood; do- mestic fuel oil; electricity for heating.	Gasoline; coal; coke; fuel oil; motive fuel; wood fuel.	9
Orugs and medicine on prescription; health appliances and personal hygiene items; household cleaning items.	Drugs and medicaments; health appliances; personal hygiene items.	Certain drugs and medicines; health appliances; dentures.	Medicaments on prescription; health appliances.	10
lassroom and student supplies; certain books; periodicals.	Books, newspapers and periodicals.	Books, newspapers and periodicals; certain phonograph records; bibles, etc.	School supplies; certain books; periodicals.	11
rocessing materials and physical ingredients; soil; clay; sand; gravel and unfinished stone; capital works of municipality; production and construction equipment under certain conditions.	Goods for manufacture.	Goods for manufacture; clay; earth.	Goods for manufacture.	12
'ertain aircrafts and buses; vessels of more than 500 tons; street flushers, sweepers and firefighting vehicles.	Certain aircrafts.		Vessels of more than 500 gross tons.	13
ales under \$0.21 except draught beer. Certain works of art; uncancellable stamps; money; equipment purchased by a religious institution, trapper or advertiser; tobacco products; animals sold for household pets; settlers' effects; returnable milk containers; certain costs for stage performance; energy conservation materials; equipment and disposable, items used in head award.	Sales under \$0.26 (except liquor); stamps; money; safety equipment; ships' stores; settlers' effects; used furniture (less than \$25); amusement; tobacco; insulation materials used in residential and commercial construction; triple-glazed windows and doors.	Sales under \$0.26; money stamps; matches; goods taxed under another Act; tobacco; settlers' effects.	Sales under \$0.15; Ships' stores to commercial vessels over 500 gross tons; X-ray pictures; settlers' effects; containers and labels; insulation materials used in residential housing.	14
disposable items used in hotel guest rooms; storm doors and windows. pecial rate of 10% on liquor, beer, wine and meals over \$6. (temporary reduction to 7%). 1 New mobile homes are taxed on 50% of the sale price and used units are exempt.	Liquor subject to a special rate of 10%. Mobile homes are taxed on 50% of the selling price excluding furnishings and modular homes on 55% of the sale price.	One half of the tax paid on mobile homes is refunded.	Mobile homes are taxed on 50% of the purchase price and certain modular homes on 55% of the purchase price.	15

<sup>1</sup> For an account of the temporary reductions in provincial sales tax, see page 25 of this publication.

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments

	TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments									
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec				
1	Motive and other fuel taxes Statutory authority	The Gasoline Tax Act; R.S.N. 1970, c. 147 and amendments. The Fuel Oil Tax Act; R.S.N. 1970, c. 145.	The Gasoline and Diesel Tax Act; R.S.P.E.I. 1974, c. G-3 and amendments.	Gasoline and Diesel Oil Tax Act; R.S.N.S. 1967, c. 116 and amendments.	Gasoline and Motive Fuel Tax Act; R.S.N.B. 1973, c. G-3.	Fuel Tax Act; S.Q. 1972, c. 30 and amend- ments.				
2 3	Basis	Per gallon.  Gasoline and - \$0.27 motive fuel Fuel oil - 0.01	Per gallon.  Gasoline - \$0.21 Diesel fuel - 0.25	Per gallon.  Gasoline fuel — \$0.21 Diesel fuel — 0.27 Aviation fuel — 0.03	Per gallon.  Gasoline - \$0.20 Diesel fuel - 0.23 Aviation fuel - 0.03	Per gallon.  Gasoline - \$0.19 Diesel fuel - 0.25 Aviation fuel - 0.03				
4	Comments	Exemptions for gasoline used by governments, by foreign diplomats, in aircraft, in motorized equipment (other than trucks and automobiles) used for agricultural or logging purposes, in sawmills, in fish processing plants, in certain manufacturing plants, in vessels and boats used in trade, in electrical power generating plants, in household appliances, as household fuel, and for mineral exploration and pre-production development.  Exemptions for fuel oil used for domestic purposes or by vessels (except pleasure boats, tugs dredges and scows), manufacturing plants, commercial buildings, institutions, spraying roads when used by the Department of Highways.	Exemptions for aviation fuel, fuel used in off-shore fishing fleets, and marked gasoline.  Marked gasoline may be purchased by the federal government, farmers, commercial fishermen, and owners and operators of stationary engines or certain sport establishments.	Exemption for marked gasoline.  Marked gasoline may be used in vehicles of the federal, provincial and municipal governments and in vehicles designed for firefighting, road building or off-highway use. It may also be used in farm tractors other than trucks or road tractors.	Exemptions for fuel used for lighting or heating, in farming operations, in the cleaning of fabrics, in stationary engines, in the operation of motor boats and snowmobiles, in tractors other than truck tractors when such vehicles are not used on public highways or in the construction of roads and bridges. Exemption for fuel used by municipal governments.  Refund of tax to flying clubs; based on the number of gallons of aviation fuel consumed in student training programme multiplied by rate of \$0.03 per gallon.  A rebate equal to ninetenths of the tax paid with respect to the gasoline and motive fuel consumed by commercial vehicles with a weight of not less than 10,000 pounds carrying lumber or coal when travelling on a private highway.	Exemption for petroleum, butane and liquified petroleum gas used for heating, solvents and gasoline for chemical use.  Exemption for fuel oil used for commercial vessel or for chemical use; coloured fuel oil used for farm machinery or fishing operations; bunker fuel, crude oil and coloured fuel oil used other than for an internal combustion engine.  Full tax refunds are allowed on gasoline used in the operation of farm tractors and fishing boats. Refunds of part of the tax are allowed on gasoline used in stationary engines, pumps to fight forest fires, and production machinery.  Vehicles used in offhighway mining, forest and farm operations are taxed \$0.03 per gallon for diesel fuel and gasoline.				

TABLE 5 B. Other Consumption Taxes Levied by Provincial Covernments

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments								
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No	
the Gasoline Tax Act; S.O. 1973, c. 99. The Motor Vehicle Fuel Tax Act; R.S.O. 1970, c. 282 and amendments.	The Gasoline Tax Act; R.S.M. 1970, c. G-40 and amend- ments. The Motive Fuel Tax Act; R.S.M. 1970, c. M220 and amendments.	The Fuel Petroleum Products Act; R.S.S. 1965, c. 67 and amendments.	The Fuel Oil Tax Act; R.S.A. 1970, c. 153 and amend- ments.	Gasoline Tax Act; 1958, R.S.B.C. 1960, c. 163 and amendments. Motive Fuel Use Tax Act; R.S.B.C. 1960, c. 251 and amendments. Fuel Oil Tax Act; R.S.B.C. 1960, c. 158 and amend- ments.	Fuel Oil Tax Ordinance; O.Y.I. 1973, c. F-11 and amendments.	Petroleum Products Tax Ordinance; R.O.N.T. 1974, c. P-6.	1	
r gallon.	Per gallon.	Per gallon.	Per gallon.	Per gallon.	Per gallon.	Per gallon.	2	
asoline — \$0.19 lese! fuel — 0.25 viation fuel — 0.03	Gasoline - \$0.18 Diesel fuel - 0.21 Aviation fuel - 0.05 Propane - 0.18 Locomotive diesel fuel - 0.10	Gasoline -\$ 0.19 Diesel fuel - 0.266 Aviation fuel - 0.06 Other fuels - 0.06	Aviation and locomotive fuel - \$0.03	Gasoline	Gasoline - \$0.14 Diesel fuel - 0.16 Aviation fuel - 0.02 Fuel oil used for heating - 0.01	Gasoline - \$0.14 Diesel fuel - 0.15 Fuel oil - 0.03 Aviation fuel - 0.025 Propane and butane - 0.0225	3	
semption for fuel used by foreign diplomats. cemptions for farmers, commercial fishermen fuel used for heating and cooking, industrial commercial and institutional users, those engaged in road maintenance or construction.  tax relief of \$0.19 per gallon is allowed on gasoline used in off-highway vehicles other than "nonworking" motor boats and snowmobiles. Gasoline used in "working" motor boats is eligible for the relief. full refund of tax is provided on fuel used for industrial and commercial purposes, other than the operation of a motor vehicle on the highway or for pleasure or recreation.	Exemptions for coloured gasoline used in farm trucks, agricultural machinery, municipal firefighting equipment and in trapping, fishing and prospecting operations.  Exemptions for diesel fuel used in farm trucks, agricultural machinery, municipal equipment used off-highway and municipal firefighting equipment, lighting plants, hospitals, fishing operations and for domestic purposes. Partial or full refund in other circumstances set out in the Act.	Exemptions for fuel used for cooking, lighting, heating and operating domestic appliances.  Exemptions for coloured fuels used in farming operations and control chemicals.  Fuel petroleum products coloured or otherwise identified is exempt from the normal rate but subject to the rate of \$0.06 when used for generating electricity, city-owned buses, industrial purposes or by railways and fishermen.		Exemptions for gasoline used by the federal government or taxed as motive-fuel under the "Motive-fuel under the "Total the province in supplytanks under certain conditions.  Exemptions for coloured gasoline used in farm trucks and fishing vessels by bona fide farmers and commercial fishermen.  Exemptions for Motive-fuel used by the federal government or a bona fide farmer for farming purposes.  A refund of \$0.02 per gallon of diesel fuel used in private passenger-vehicle.  A refund of \$0.12 per gallon of non-coloured gasoline and \$0.07 per gallon of diesel fuel used in private passenger-vehicle.  A refund of \$0.12 per gallon of non-coloured gasoline and \$0.07 per gallon of diesel fuel used in private passenger-vehicle.  A refund of \$0.12 per gallon of pollutant-free liquefied petroleum gas and \$0.14 per gallon of diesel fuel is granted for offighway ore or logging trucks, for stationary motor vehicle power units used in industry; for certain industrial and commercial vehicles used offighway in oil and gas operations, and for the motor vehicles of amputees, paraplegics and certains classes of war veterans.  Coloured gasoline is restricted to specific uses as determined by law.	No tax is payable in respect of fuel oil used in stationary generators of electricity; in farm equipment; for lubricating purposes, for laying or sprinkling on roads; for use as cleaning fluids or solvents, for medical or pharmaceutical purposes, for heating ore as part of mineral extraction process and for fuel oil sold to Government of Canada or visiting armed forces.	No tax is payable in respect of fuel used by hospitals, municipalities, visiting armed forces, for lubricating purposes, for laying or sprinkling on roads or streets, for delivery to D.E.W. stations, or for use as cleaning fluids or solvents.	4	

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments — Continued

	TABLE 3 B. O	ther Consumption Taxes Levied by	TOVINCIAL GOVERNMENTS CONTINUE	
		Newfoundland	Prince Edward Island	Nova Scotia
No.				
	Tobacco taxes			
1	Statutory authority	The Tobacco Tax Act; R.S.N. 1970,	The Health Tax Act; R.S.P.E.I. 1974,	Health Services Tax Act; R.S.N.S.
		c. 374 and amendments.	C. H-3 and amendments.	1967, c. 126 and amendments.
			During the board illustrate of single	Du signature by retail major of si
2	Basis	By cigarette; by retail price of cigars; other tobacco products by weight.	By cigarette; by retail price of cigars; other tobacco products by weight.	By cigarette; by retail price of ci- gars and other tobacco prod-
				ucts.
3	Rate	Cigarettes - \$0.0135 each.	Cigarettes - \$0.008 each.	Cigarettes – \$0.006 each.
		Cigars from:	Cigars from:	Cigars and other tobacco products – 15%.
		\$0.07 or less - \$0.05 each	\$0.01 to \$0.09 - \$0.01 each	
		\$0.08 to \$0.15 - \$0.06 each	0.10 " 0.15 - 0.02 "	
		0.16 " 0.25 - 0.11 "	0.16 " 0.21 – 0.03 "	
		0.26 " 0.35 - 0.16 "	0.22 " 0.27 - 0.04 "	
		0.36 " 0.45 – 0.21 "	0.28 " 0.33 - 0.05 "	
		0.46 up - 0.27 "	0.34 " 0.39 - 0.06 "	
			0.40 " 0.45 - 0.07 "	
			0.46 up - 20% "	
		Other tobacco products \$0.06 per 1/2	Other smoking tobacco products	
		ounce unit or part thereof.	\$0.03 per 1/2 ounce or part thereof.	
4	Comments	There are certain exemptions on	_	Tax levied under the same statu-
		tobacco purchases by bona fide		tory authority as the general
		tourists and for other categories such as ships' stores. There is no		sales tax.
		tax on a plug of tobacco.		
	Alcoholic beverage tax			
5	Statutory authority		The Health Tax Act; R.S.P.E.I. 1974,	_
			c. H-3 and amendments.	
	Davis			
6	Basis	_	Retail price.	_
7	Rate		100	
		_	10%	_
8	Comments	-		
			_	_

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments — Continued

New Brunswick	Quebec Quebec	Ontario	, . No.
Tobacco Tax Act; R.S.N.B. 1973, c. T-7	Tobacco Tax Act; R.S.Q. 1964, c. 72 and amendments.	The Tobacco Tax Act; R.S.O. 1970, c. 463 and amendments.	-
By cigarette; by retail price of cigars; by weight for other tobacco products.	By cigarette; by retail price of cigars and other manufactured tobacco.	By cigarette; by retail price of cigars; by weight for other tobacco products.	2
Cigarettes – \$0.007 each.	Cigarettes — \$0.0108 each.	Cigarettes — \$0.011 each.	3
Cigars \$0.01 for each \$0.05 or part thereof.  Other tobacco products — \$0.08 per ounce or part thereof.	Cigars from:  \$0.05 to \$0.10 - \$0.02 each.  0.10 up - 30%.  Manufactured tobacco - 30% of retail price.	Cigars from:  \$0.01 to \$0.07 - \$0.02 each  0.08 " 0.10 - 0.05 "  0.11 " 0.15 - 0.07 "  More than \$0.15 - \$0.07 plus \$0.02 for each \$0.05 or part thereof of retail price, with a maximum tax of \$0.39 per cigar.  Cut tobacco taxed at \$0.004 per gram.	
-	No tax levied on raw leaf tobacco or on cigars sold at \$0.05 each, or less.		5
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TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments - Continued

		Manitoba	Saskatchewan	Alberta
No.				
	Tobacco taxes			
1	Statutory authority	The Tobacco Tax Act; R.S.M. 1970, c. T80 and amendments.	The Tobacco Tax Act; R.S.S. 1965, c. 68 and amendments.	The Tobacco Tax Act; R.S.A. 1970, c. 364 and amendments.
2	Basis	By cigarette; by retail price of cigars; by weight for other manufactured tobacco.	By cigarette; by retail price of ci- gars and by weight for other tobacco products.	By cigarette; by retail price of cigars and by weight for tobacco (in- cluding plugs and snuff).
3	Rate	Cigarettes – \$0.01 each	Cigarettes - \$0.0096 each.	Cigarettes — \$0.0032 each.
		Cigars:	Cigars:	Cigars:
		\$0.04 or less - \$0.02 each	\$0.10 or less - \$0.03 each	\$0.07 or less - \$0.01 each
		0.05 to \$0.06 - \$0.025 each	\$0.11 to \$0.20 - \$0.05 each	0.08 to \$0.15 - \$0.02 each
		0.07 to 0.09 - 0.04 "	Over \$0.20 - \$0.10 each	0.16 " 0.22 - 0.03 "
	!	0.10 " 0.12 - 0.05 "	Other tobacco \$0.05 per 1/2	0.23 " 0.32 - 0.05 "
		0.13 " 0.15 - 0.06 "	ounce or fraction thereof.	0.33 " 0.42 - 0.07 "
		0.16 " 0.18 - 0.08 "		Over \$0.42 - \$0.09 each
	! ! !	0.19 " 0.21 - 0.09 "		Tobacco \$0.02 per 1/2 ounce or fraction thereof.
		0.22 " 0.24 – 0.10 "		traction thereof.
		0.25 " 0.30 - 0.13 "		
		0.31 " 0.39 — 0.16 "		
		0.40 " 0.48 - 0.20 "		
		Over \$0.48 - \$0.25 each		
4		Other tobacco products – \$0.05 per 1/2 ounce.		
4	Comments	-	_	-
	Alcoholic beverage tax			
5	Statutory authority	-	_	-
6	Basis	-	-	-
7	Rate		-	-
	;			
8	Comments	-	-	-

 ${\bf TABLE~5~B.~Other~Consumption~Taxes~Levied~by~Provincial~Governments} - Continued \\$ 

British Columbia	Yukon Territory	Northwest Territories	No.
The Cigarette and Tobacco Tax Act; S.B.C. 1971, c. 7.	Tobacco Tax Ordinance; (First session); 1976, c. 9.	Tobacco Tax Ordinance; R.O.N.T. 1974, c. T-6.	1
By cigarette; by retail price of cigars; by weight for other tobacco products.	By cigarette: by retail price of cigars; by weight for other tobacco products.	By cigarette and retail price of cigars.	2
Cigarettes – \$0.0096 each.	Cigarettes - \$0.006 each.	Cigarettes - \$0.0032 each.	[ 3
Cigars:	Cigars:	Cigars:	
\$0.05 or less - \$0.02 each	\$0.05 or less - \$0.01 each	\$0.07 or less - \$0.01 each	
0.06 to 0.09 - 0.03 each	0.06 to 0.10 - 0.02 each	0.08 to 0.15 - 0.02 each	
0.10 " 0.13 - 0.05 "	0.11 " 0.15 - 0.03 "	0.16 " 0.22 - 0.03 "	
0.14 " 0.17 - 0.07 "	0.16 " 0.20 - 0.04 "	0.23 " 0.32 0.05 "	
0.18 " 0.25 - 0.10 "	0.21 " 0.30 - 0.06 "	0.33 " 0.42 0.07 "	
0.26 " 0.33 - 0.16 "	0.31 " 0.40 - 0.08 "	Over \$0.42 - \$0.09 each	
0.34 " 0.41 - 0.20 "	Over \$0.40 - \$0.10 each		
0.42 " 0.49 - 0.24 "	Other tobacco products \$0.03 per 1/2 ounce or part thereof.		
Over \$0.49 - \$0.30 each.	part mercor.		
Other tobacco products \$0.055 per 1/2 ounce or part thereof.			
	-	-	4
	T. O. F. W. W. O. V. T. 1974 a. 2		1 5
	Liquor Tax Ordinance; O.Y.T. 1976, c. 3.		J
-	By the bottle or gallon.	-	1 6
	\$0.80 for each bottle of spirits.  0.80 for each bottle of fortified wine.  0.20 for each bottle of table wine.  0.10 for each dozen bottles of beer.  0.10 for each gallon of draught beer.		1 7
			8

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments - Concluded

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
	Telecommunication tax					
1	Statutory authority	-	-	Corporations Tax Act; R.S.N.S. 1967, c. 61.	-	Telecommunications Tax Act; S.Q. 1965, c. 28.
2	Basis	-	-	Toll charge on long- distance telephone calls.		Price of telecommunication.
3	Rate	-	-	\$0.07 for each \$0.50 toll charge or part thereof.		8%
4	Comments	-	-	Tolls under \$0.25 are exempt.	-	Applicable to long distance telephone calls, telegrams and other telecommunications.
	Meals and lodging tax					
5	Statutory authority		-	-	-	Meals and Hotels Tax Act R.S.Q. 1964, c. 73 and amendments.
6	Basis	-	_	-	-	Meals priced over \$3.25, alcoholic beverages, any aerated water to which essence or syrup has been added.
7	Rate	-	-	-	-	10% for meals over \$3.25.
8	Comments.	-	_	-		The tax is not payable by persons employed in an establishment on the price of meals (not including alcoholic beverages and aerated water) supplied to them by the person who keeps the establishment. Beer served in a tavem is not taxable.

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments - Concluded

TABLE 5 B. Other Consumption Taxes Levied by Provincial Governments — Concluded									
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.		
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-		-	dess	Hotel and Motel	_	1	5		
				Room Tax Act; S.B.C. 1971, c. 26.					
-	-	-	-	Purchase price of accommodation in hotels and motels.			6		
		İ		, and the same and			ľ		
		ww.	-	5%	-		7		
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TABLE 6. Miscellaneous Provincial Levies

	-		TABLE 6. MISCELLANE	Tus 110 vincial Ecvics		1
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
	Amusement taxes					
1	Statutory authority	-	The Entertainments Act; R.S.P.E.I. 1974, c. E-7 and amendments.	Theatres and Amusements Act; R.S.N.S. 1967, c. 304 and regulations.	Theatres, Cinematographs and Amusements Act; R.S.N.B. 1973, c. T-5.	Amusement Tax Act; R.S.Q. 1964, c. 76.
2	Basis	-	Admission price.	Admission price.	Admission price,	Admission price.
3	Rate	-	Over - 1.00. 0.10 plus \$0.05 extra for each additional \$0.50 or fraction thereof.  Season ticket - 10% of selling price.  Pass or complimentary ticket \$0.10	From: \$0.56 - \$0.70. \$0.05 0.71 - 1.00. 0.10 Over - 1.00. 0.10 plus \$0.05 extra for each additional \$0.50 or fraction thereof.	Theatre rates: Up to \$0.25 \$0.02 From \$0.25 to \$0.30 . 0.03 " 0.31 " 0.40 . 0.04 " 0.41 " 0.45 . 0.05 " 0.46 " 0.50 . 0.06 " 0.51 " 0.60 . 0.07 " 0.61 " 0.70 . 0.08 " 0.71 " 0.80 . 0.09 " 0.81 " 0.90 . 0.10 0.91 " 1.00 . 0.11 Over 1.00 . 11% Pass \$0.10	10%
					Other amusements rates: Up to \$0.25\$0.02 From \$0.26 to \$0.50.0.05 From 0.51 to 1.00.0.10 and \$0.05 for each additional \$0.50 or fraction thereof in excess of \$1.	
4	Exemptions		Church, school and mu- nicipal functions; certain other ama- teur or private func- tions.	Religious, educational or charitable func- tions.	School entertainment; agricultural fairs; religious, educational or charitable functions.	Charitable, agricultural or church functions. Taxes collected by the municipalities.
	Race track taxes					
5	Statutory authority		The Entertainment Act; R.S.P.E.I. 1974, c. E-7 and amend- ments.	ments Act; R.S.N.S.	Theatres, Cinematographs, and Amusements Act; R.S.N.B. 1973, c. T-5.	Licences Act; R.S.Q. 1964, c. 79 and amendments.
6	Basis	Amount of bets placed under the pari mutuel system.	Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pool.
7	Rate	11%	11 1/2%	11%	11% of wagers	7% of ticket evidencing the choice of a single winning horse; 9% on other tickets.
8	Comments	The track operators are paid a remuneration of 3% of the tax collected and remitted.	-	If tax remitted within 7 days, the Race Association may deduct a commission of 7% and 8% depending on certain variables in amounts wagered and dates.	If tax is remitted within 7 days, the Race Association may deduct from 6 1/2% to 9 1/2% of the amounts wagered as commission.	Racetrack entrance fees relinquished to munici- palities.

TABLE 6. Miscellaneous Provincial Levies										
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.			
The Retail Sales Tax; R.S.O. 1970, c. 415 and amendments.	-		See: Race track tax.	_	-	:	1			
Admission price.	  -	-	_	_	_	-	2			
From: \$3.01 and over 10%.	-	-	_	-	_	_	3			
	į									
Religious, charitable or educational functions (by way of refund).		_	-	-	-	_	1 4			
The Race Tracks Tax Act; R.S.O. 1970, c. 397 and amend- ments.	The Pari Mutuel Tax Act; S.M. 1974, c. P 12.	The Horse Racing Regulations Act; R.S.S. 1965, c. 384 and amendments.	R.S.A. 1970, c. 18	Pari Mutuel Betting Tax Act; R.S.B.C. 1960, c. 274.	-	-	5			
(a) Pari mutuel betting pool.  (b) Amount gained from a winning ticket.	Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pool.	Pari mutuel betting pool.	-	-	6			
7%	71/2%	10%	5%	8%	-		7			
	1 1/2% of the rate is kept as commission by the track operators. Rate determined by Lieutenant Governor in council.	-	-	11/2% of the amount collected is ear-marked to increase the purses of B.C. bred, born and raised horses.	-	-	8			

TABLE 6. Miscellaneous Provincial Levies — Continued

NI-		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
No.						
	Insurance premium taxes  (a) On insurance companies:					
1	Statutory authority	The Insurance Companies Tax Act; R.S.N. 1970, c. 177 and amendments.	The Premium Tax Act; R.S.P.E.I. 1974, c. P-18 and amendments.	Insurance Premiums Tax Act; R.S.N.S. 1967, c. 149.	Premium Tax Act; R.S.N.B. 1973, c. P-15.	Taxation Act; S.Q. 1972 c. 23 and amendments (Part VI).
2	Basis	Gross premiums.	Gross premiums.	Gross premiums.	Gross premiums.	Premium income.
3	Rate	2%	2%	2%	2%	2%
4	Comments	Exemption for premiums on marine insurance and annuity contracts.	Exemption for annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Exemption for premiums on marine insurance and annuity contracts.	Applicable on all insurance premiums, including fire insurance.
	(b) Fire insurance:	1				
5	Statutory authority	The Insurance Premiums Tax Act; R.S.N. 1970, c. 179.	The Fire Prevention Act; R.S.P.E.I. 1974, c. F-7 and amendments.	Fire Prevention Act; S.N.S. 1976, c. 9.	Fire Prevention Act; R.S.N.B. 1973, c. F-13.	Fire Prevention Act; R.S.Q. 1964 c. 187 and amendments.
6	Basis	Premiums charged.	Gross premiums.	Gross property insurance premium income.	Premium income.	Premium income.
7	Rate	11%	3/4 of 1%	3/4 of 1%	1%	1/4 of 1%
8	Comments	This tax is paid by the policy holder. It is levied on all insurance premiums other than life, accident, sickness, and marine premiums.	-	Rate determined by Lieutenant-Governor in council.	-	-

TABLE 6. Miscellaneous Provincial Levies — Continued											
Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.				
(a) The Corporations Tax Act; S.O. 1972, c. 143.	The Insurance Corporations Tax Act; R.S.M. 1970, c. 150 and amendments.	The Insurance Premiums Tax Act; R.S.S. 1965, c. 63 and amendments.		miums Tax Act; R.S.B.C. 1960, c. 198 and amend- ments.	Insurance Premium Tax Ordinance; O.Y.T.	Insurance Ordinance 1976.	1				
R.S.O. 1970, c. 224 and amendments.				(b) Insurance Act; R.S.B.C. 1960, c. 197 and amend- ments.							
(a) Gross premiums or deposits.      (b) Gross premiums or reciprocal or interinsurance exchanges.	Premium income.	Gross premiums.	Gross premiums.	(a) Gross premiums.  (b) Premiums paid to unlicensed insurer or reciprocal exchange.	Gross Premiums.	Premium income.	2				
3%1	2%	2%	2%	(a) 2% (b) 5%	2%	2%	3				
additional 1/2 of 1% on property insurance.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	Exemption for marine insurance and annuity contracts.	Exemptions for marine insurance and annuity contracts.		4				
-	-		The Fire Prevention Act; R.S.A. 1970, c. 144 and amendments.	R.S.B.C. 1960, c.	dinance; R.O.Y.T.	Insurance Ordinance 1976.	5				
- 1	-	Premium income.	Premium income.	Premium income.	Premium income.	Premium income.	6				
-	-	1%	1/3 of 1%	1%	1%	1/2 of 1%	7				
-	-	-	-	-	-	-	8				

<sup>1 2%</sup> on life, sickness and accident insurance.

TABLE 6. Miscellaneous Provincial Levies — Continued

No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
	Mining and mineral taxes	The Mining and Mineral Rights Tax Act; S.N., 1975, c. 68.	_	(a) Gypsum Mining Income Tax Act; R.S.N.S. 1967, c. '122. '(b) Mineral Resources Act; S.N.S. 1975, c. 12.	Mining Income Tax Act; R.S.N.B. 1973, c. M-15 and amend- ments.	Mining Duties Act; S.Q. 1975, c. 30.	(a) The Mining Tax Act; S.O. 197 c. 140.  (b) Mining Act; R.S.O. 1970, a
2	2 Basis	Net income from mining operations and holding rights to mine.		(a) Net income from gypsum mining or ton of gypsum mined.  (b) Net selling price of ores and minerals mined; net income derived from mining operations.	operations and mining profits exceeding \$100,000.	Net profit of mining operations.	(a) Profits from mining operation  (b) Lands used for mining purpose and mining rights.
23	3 Rate	15% mining tax, 20% mineral rights tax on operator or recipient of rent or royalty.		(a) 33 1/3% of net income in excess of \$5,000; or \$0.06 per ton where mining operations are calculated at a fixed rate of \$0.18 per ton.	16% of net profits in excess of \$100,000.	of \$150,001 to	profit of \$1,000,001 1 \$10,000,000; 25% on no profit of \$10,000,001 1 \$20,000,000; 30% on no profit of \$20,000,001 t \$30,000,000; 35% on no profit of \$30,000,001 t \$40,000,000; 40% on no profit of \$30,000,001 t \$40,000,000; 40% on no profit of \$30,000,001 t \$40,000,000; 40% on no profit of \$30,000,001 t \$40,000,000; 40% on no profit of \$30,000,001 t \$40,000,000; 40% on no profit of \$30,000,001 t \$40,000,000; 40% on no profit of \$30,000,001 t \$40,000,000; 40% on no profit of \$30,000,001 t \$40,000,000; 40% on no profit of \$30,000,001 t \$40,000,000; 40% on no profit of \$30,000,000 t \$40,000,000; 40% on no profit of \$30,000,000 t \$40,000,000; 40% on no profit of \$30,000,000 t \$40,000,000; 40% on no profit of \$30,000,000 t \$40,000,000 t \$4

TABLE 6. Miscellaneous Provincial Levies - Continued

TABLE 6. Miscellaneous Provincial Levies – Continued									
Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories				
) The Mining Royalty and Tax Act; R.S.M. 1970, c. M-180 and amend- ments.	(a) The Mineral Taxation Act; R.S.S. 1965, c. 64 and amendments.	(a) The Freehold Mineral Taxation Act; S.A. 1973, c. 89.	(a) Mineral Land Tax Act; S.B.C. 1973, c. 53.	Yukon Placer Mining Act; R.S.C. 1970, c. Y3.	Canada Mining Regulations; P.C. 1961325.				
The Mineral Taxation Act; R.S.M. 1970, c. M-150 and amend- ments.	(b) The Mineral Resources Act; R.S.S. 1965, c. 50 and amendments.	(b) The Mines and Minerals Act; R.S.A. 1970, c. 238 and amendments.	(b) Mineral Resource Tax Act; S.B.C. 1976, c. 31.						
) The Metallic Minerals Royalty Act; S.M. 1975, c. M-125.	(c) The Oil and Gas Conserva- tion, Stabilization and Development Act; S.S. 1973, c. 72 and amend- ments.	(c) Oil and Gas Conservation Act, R.S.A. 1970, c. 267.	(c) Petroleum and Natural Gas Act; S.B.C. 1965, c. 33 and amendments.						
	(d) The Road Allowance Crown Oil Act; R.S.S. 1965, c. 53.		(d) Coal Act; S.B.C. 1974, c. 15.						
			(e) Mining Tax Act; R.S.B.C. 1960, c. 247.						
Net profit of mining operations.	(a) 1. Flat rate per acre for freehold minerals owned by corporations.	(a) Assessed value of principal minerals in free-hold lands.	(a) 1. Tracts outside designated producing areas.	Value of gold shipped from Yukon.	Annual value of output.				
	Assessed value of oil,     potash and coal for     preceding year.		2. Designated production areas.						
	3. Value of potash ore reserves, mine, plant.								
) Assessed value of minerals in, on, or under freehold land in designated production area.	(b) 1. Product ton of potash.  2. (i) Oil produced from Crown lands. (ii) Operator share of oil and road allowance oil produced from Crown lands.	(b) Value of production on Crown lands.	(b) Net income from mining operations.						
	3. (i) Net profit of mining companies (metallic minerals and uranium).  (ii) Ton of coal.								
Net profit of mining operations.	(c) Operator share of oil and road allowance oil produced from freehold rights.	(c) Oil and gas property in designated areas.	(c) 1. Crude petroleum.  2. Natural gas by-products.  3. Natural gas.						
	(d) All oil produced.		(d) 1. Metallurgical coal.						
			Thermal coal.  (e) Net income.						
6% if income is under \$50,000; 23% on entire income if income exceeds \$50,000 (or a lesser amount as determined by the Lieutenant-Governor-in-Council).	(a) 1. (i) \$0.50 (minimum tax \$1). (ii) Additional tax on all lands of 500,000 or more acres.  2. Producing tract tax of 8 mills times twice the assessed value; coal is one and a half times.  3. Varies from nil under	(a) Rates determined by order in council.	(a) 1. 49,999 acres or less. \$0.25 per acre. \$0,000 - 99,999 acres. \$0.40 per acre. 100,000 - 249,999 acres, \$0.55 per acre. 250,000 - 499,999 acres, \$0.70 per acre. 500,000 - 999,999 acres, \$0.85 per acre. 1,000,000 acres and over - \$1 per acre.	2 1 2%	\$10,001 \\$1,000,000 \\ 3 \\ \$1,000,001 \\$ \\$5,000,000 \\ \$5%; \\$5,000,001 \\ \$10,000,000 \\ \$10,000,001 \\ an additional \\ \$5,000,000, \\ an additional \\ \$5,000,000, \\ an additional \\ \$5,000,000, \\ an additional \\ \$5,000,000, \\ an additional \\ \$5,000,000, \\ an additional \\ \$5,000,000, \\ an additional \\ \$5,000,000, \\ an additional \\ \$5,000,000, \\ an additional \\ \$5,000,000, \\ an additional \\ an				
	the average selling price of \$35.50 per short ton to 8.73169 mills on the average selling price of \$90 and over.								

TABLE 6. Miscellaneous Provincial Levies — Continued

Nova Scotia	New Brunswick	Quebec	Ontario
(b) Greater of: 2% of net selling price or 15% of	_	-	(b) \$0.50 per acre.
net income from mining opera- tions.			
-	-	Net profit up to \$150,000 is exempt.	(a) Net profit up to \$100,000 is exempt.
			ехетрі.
-	-	Taxation Act; S.Q. 1972, c. 23 (Part VII).	-
_	_	Income from logging operations.	-
-	-	10%	-
_	_	Full exemption is allowed where income is less than \$10,000; where income exceeds \$10,000, the tax is paid on the total income including the \$10,000. Tax credit of 1/3 of tax is provided under the provincial Income Tax Act. Two-thirds may be deducted from the federal income tax under the provisions of the federal Income Tax Act.	_
	of net selling price or 15% of net income from mining opera-	of net selling price or 15% of net income from mining opera-	of net selling price or 15% of net income from mining operations.  Taxation Act; S.Q. 1972, c. 23 (Part VII).  Income from logging operations.  - 10%  - Full exemption is allowed where income is less than \$10,000; where income exceeds \$10,000, that is paid on the total income including the \$10,000. Tax credit of 1/3 of tax is provided under the provincial Income Tax Act. Two-thirds may be deducted from the federal income tax under the provisions of the federal income Tax under the provisions of the federal income Tax under the provisions of the federal income Tax under the provisions of the federal income Tax under the provisions of the federal income Tax under the provisions of the federal income Tax under the provisions of the federal income Tax under the provisions of the federal income Tax under the provisions of the federal income Tax

	TABL	E 6. Miscellaneous Provincial	Levies - Continued			
Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
(b) 1. Eight mills of the assessed value of each well. 2. The monthly incremental tax is calculated as follows: value of well production formonthx 1.5 equals the assessed value x mill rate equals tax. The monthly incremental tax is in addition to the basic 8-mill tax which is applied to the same assessed value but on a yearly basis. Monthly mill rate schedules are different for new and developed wells.  (c) 15% on base profit. 35% on excess of base profit (as determined by the Act).  An operator required to pay royalty under this Act is exempt from the payment of royalty tax under the Mining Royalty and Tax Act.	(b) 1. Pro-rationing fee of \$1.20 per ton.  2. (i) Regular crude oil royalty of up to 25% based on volume of production and valued at the well-head price.  (ii) Royalty surcharge equal to the difference between the "basic" well-head price and the well-head prices.  3. (i) From 5% to 12.5%.  (ii) \$5 per ton.  (c) Mineral income tax equal to difference between the "basic" well-head price and the well-head price and the well-head price.  (d) 1.88% of all oil designated as road allowance oil. Crown share is 1%.  Operator share is .88%. Crown share is sold at the well-head price.  (a) 1. Acreage tax does not apply to an owner who is an individual.  2. Reduced royalty surcharge on the production of "new oil". Deduction from royalty surcharge of 100% of exploration and	(b) 1. Oil and gas: rates vary between 40% on current production from old oil and gas wells and 28% from new wells.  2. Synthetic oil: 8% of monthly production to 9 million barrels; 20% in excess of 9 million barrels.  3. Sulphur: 16 2/3 of the value of marketable production.  4. Pentanes plus: in accordance with the formula specified in the regulations.  (c) Uniform rate of taxation as will be sufficient to defray 50% of the estimated net expenditure to be incurred by the Oil and Gas Conservation Board.  (a) Assessment for oil and natural gas is 16 mills.  (b) 3.4. These royalty rates are applied to the value of production after the processing costs of the Crown's share of natural gas has been deducted.	(b) 17.5% after processing allowances.  (c) Rates of royalty vary with mineral production. No royalty is payable on production contracted to B.C. Petroleum Corporation.  (d) 1. \$1.50 per ton. 2. \$0.75 per ton.  (e) 15% where net income exceeds \$10,000.	Rates established by Order-in- Council.	Exemption for the first \$10,000 of output.	1
- 1	development expendi- tures in Saskatchewan up to \$0.30 per barrel. Beyond this, 50% of approved expenditures may be deducted.	-	Logging Tax Act; R.S.B.C.   1960, c. 225 and amendments.	-	- 1	3
_ 1		_	Net income.		-	4
	-	-	15% where net income exceeds \$10,000.	-	- 1	5
_			Full exemption is allowed where net income is less than \$10,000, where net income exceeds \$10,000; the tax is paid on the total net income including the first \$10,000.  Tax credit of 20% of tax is provided under the provincial Income Tax Act.  Two-thirds may be deducted from federal income tax under the provisions of the federal Income Tax Act.	-	-	6

	TABLE 6. Miscellaneous Provincial Levies — Continued									
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario			
	Motor vehicle regis- trations and driving permits									
1	Statutory authority	The Highway Traffic Act; R.S.N. 1970, c. 152 and amendments.	The Highway Traffic Act; R.S.P.E.I. 1974 c. H-6 and amendments.	Motor Vehicle Act; R.S.N.S. 1967, c. 191 amendments and regulations.	The Motor Vehicle Act; R.S.N.B. 1973, c. M-17.	Highway Code; R.S.Q. 1964, c. 231 and amendments.	The Highway Traffic Act; R.S.O. 1970, c. 202 and amendments.			
2	Basis	(a) Passenger vehicles: weight of the vehicle.	(a) Passenger vehicles: weight of the vehi- cle.	(a) Passenger vehicles: per 100 lb. weight.	(a) Passenger vehicles: per lb. of weight.	(a) Passenger vehicles: per 100 lb. vehicle weight.	(a) Passenger vehicles: number of cy- linders.			
		(b) Commercial vehicles: over 4,000 lb. rate increases per 1,000 lb. (gross weight).	(b) Commercial vehicles: over 3,000 lb. rate increases per 1,000 lb. (gross weight).	(b) Commercial vehicles: over 4,000 lb. rate increases per 1,000 lb. (net weight).	(b) Commercial vehicles: over 4,500 lb. rate increases per 1,000 lb. (gross weight).	(b) Commercial vehicles: over 5,000 lb.; graduated scale per 1,000 lb. (gross weight).	(b) Commercial vehi- cles: gross weight.			
		(c) Driver.	(c) Driver.	(c) Driver.	(c) Driver.	(c) Driver.	(c) Driver.			
		(c) Billot.	(d) Chauffeur.	(d) Chauffeur.	(d) Chauffeur.	(d) Chauffeur.	(d) Chauffeur.			
3	Rate	(a) Passenger vehicles: up to 4,000 lb. — \$30. 4,001 lb, and over — \$40.	(a) Passenger vehicles: not more than 2,049 lb. — \$20. Over 2,049 lb. up to and including 4,949 lb. — \$1 per 100 lb. 4,950 lb. and over — \$50.	(a) Passenger vehicles: \$1.25 per 100 lb. of vehicle weight. Minimum \$15.	(a) Passenger vehicles: \$0.01 per lb.; minimum \$20 plus a fee of \$4 for licence plates.	(a) Passenger vehicles:  1 to 3,000 lb.:  \$1 per 100 lb.  3,001 to 4,000  lb.: \$2 per 100  lb. 4,001 and  over: \$3 per 100  lb. (Minimum  \$20).	(a) Passenger vehicles: 4 cylinders or less \$30. 6 cylinders - \$45. 8 cylinders - \$60: Northern Ontario \$10 flat fee.			
		(b) Commercial vehicles: . up to 4,000 lb.: \$27; . over 4,000 lb.: from \$33 to \$1,205.	(b) Commercial vehicles: up to 3,000 lb.: \$14; over 3,000 lb.: from \$18 to \$1,267.	(b) Commercial vehicles: up to 4,000 lb.: \$29; over 4,000 lb. to 100,000 lb. from \$31 to \$1,354.	(b) Commercial vehicles: up to 4,500 lb.: \$19 over 4,500 lb.: from \$23 to \$1,435.	(b) Commercial vehicles: up to 5,000 lb.: \$40. 5,001 to 10,000 lb.: \$10 per 1,000 lb.: \$10 per 1,000 lb.: \$11 per 1,000 lb.: \$11 per 1,000 lb.: \$12 per 1,000 lb.: \$12 per 1,000 lb. and over: \$16 per 1,000 lb.	(b) Commercial vehicles: from \$60 (up to 5,000 lb.) to \$2,227 (139,501 to 140,000 lb.).			
	r	(c) Driver's and chauffeur's licences — \$15.	(c) Driver's licence – \$6.	(c) Driver's licence – \$6.	(c) (d) Driver's and chauffeur's licences - \$4 plus a \$6 unsatisfied judgement fee.	(c) (d) Driver's and chauffeur's licences – \$12.	(c) (d) Driver's and chauffeur's licences - \$9.			
			(d) Chauffeur's licence – \$7.	(d) Chauffeur's li-   cence - \$7.						
4	Comments	(a) Reduced rates apply later in the year.	(a) Reduced rates apply later in the year.	(a) Vehicle registration expires March 31.	(a) Reduced rates apply later in the year which expires Dec. 31.	Driver's and chauf- feur's licences have a two-year term and expiry date is on li- censee's birthday.	Driver's and chauffeur's licences have a three-year term. Engines with displacement in excess of 6 500 cubic centimeters (397 cubic inches) \$80.			
		(b) Driver's and chauffeur's have a three- year term. Expiry date is on licensee's birthday.	(b) Driver's and chauffeur's licences have a one year term. Expiry date is on the last day of licensee's month of birth.	(b) Driver's licence has a three-year term and chauf- feur's licence has a one year term.	(b) Driver's and chauffeur's li- cences — have a two-year term.					

TABLE 6. Miscellaneous Provincial Levies — Continued											
Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.					
he Highway Traffic Act; R.S.M. 1970, c. 1160 and amendments.	The Vehicles Act; R.S.S. 1965, c. 377 and amendments.	The Highway Traffic Act; R.S.A. 1970, c. 169 and amendments.	Motor-vehicle Act; R.S.B.C. 1960, c. 253 and amendments.	Motor Vehicle Ordinance; R.O.Y.T. 1971, c. M-11 and amendments.	Vehicles Ordinance; R.O.N.T. 1974, c. V-2.	1					
a) Passenger vehicles: curb weight per 100 lb.	(a) Passenger vehicles: length of wheel base.	(a) Passenger vehicles: length of wheel base.	(a) Passenger vehicles: weight of the vehicle.	(a) Passenger vehicles: length of wheel base.	(a) Passenger vehicles:	2					
b) Commercial vehicles: over 6,000 lb. rate in- creases per 1,000 lb. (gross weight).	(b) Commercial vehicles: over 11,000 lb. (gross weight).	(b) Commercial vehicle: over 3,000 lb. rate in- creases per 1,000 lb. (gross weight).	(b) Commercial vehicles: gross vehicle weight.	(b) Gross weight of vehicle.	regions,  (b) Commercial vehicles:     gross weight of vehicle.     Region I: Mackenzie     Highway System.     Region II: Mackenzie     Delta.     Region III: Remainder of     Territories.						
c) Driver.	(c) Driver.	(c) Driver.	(c) Driver.	(c) Driver.	(c) Driver.						
1) Chauffeur.	(d) Chauffeur.			1	(d) Chauffeur.						
a) Passenger vehicles: up to 2,499 lb.: \$15; from 2,500 lb. and up: \$16 to \$150.	(a) Passenger vehicles: \$12 for wheel base not exceeding 110"; \$24 for wheel base of 111" to 120"; \$36 for wheel base of 121" to 130"; \$48 for wheel base of 131" to 140"; over 140" for wheel base \$60.	(a) Passenger vehicles: \$15 for wheel base not exceeding 110", \$20 for wheel base between 111" and 120"; \$25 for wheel base of over 120". Where no wheel base is established; \$20.	(a) Passenger vehicles: up to 500 lb.: \$5; over 500 lb.: from \$10 to \$58. Plus first registration fee of \$1.	(a) Passenger vehicles: up to 100" wheel base \$15; 101" to 120": \$20;121" and over \$25.	(a) Passenger vehicles: Region I: \$20. Region II: \$10. Region III: \$5.	3					
o) Commercial vehicles: up to 6,000 lb.: \$18, over 6,000 lb.: from \$24 to \$733.	(b) Commercial vehicles: from 11,001 lb. to 110,000 lb. rates vary between \$75 and \$1,175.	(b) Commercial vehicles; up to 3,000 lb.: \$30; over 3,000 lb. to 110,000 lb.: from \$40 to \$1,860.	(b) Commercial vehicles: up to 3,000 lb.: \$16; from 3,001 lb. to 74,000 lb.: from \$20 to \$830. Additional \$25 per 2,000 over 74,000 lb.	(b) Commercial vehicles: up to 10,000 lb.: \$50; from 10,001 lb. to 126,000 lb.: from \$100 to \$1,120.							
(d) Driver's and chauffeur's licences - \$6.	(c) (d) Driver's and chauffeur's licences - \$3.	(c) Driver's licence – \$10.	c) Driver's licence - \$5.	(c) Driver's licence - \$9.	(c) Driver's licence - \$2.						
			1	1	(d) Chauffeur's licence - \$3.	1					
i) Reduced rates apply later in the year.	Driver's and chauffeur's licences have a one year term. Expiry date is April 30.	(a) Rates reduced by 40% after September 1 and 75% after January 1.	(a) Rates are reduced 1/12 each month to a minimum fee of \$2.	(a) Reduced rates apply later in the year.	(a) Rates are reduced to 40% after October 31.	4					
Driver's and chauffeur's licences issued for two years on birth date.		(b) Driver's licence has a five-year term; expiry date is March 31.	(b) Driver's licence has a five-year term.	(b) Driver's licence has a three year term; ex- piry date on March 31.	(b) Both driver's and chauffeur's licences have one year term.						

TABLE 6. Miscellaneous Provincial Levies — Concluded

	TABLE 6. Miscellaneous Provincial Levies — Concluded									
No.		New- foundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario			
	Hospitalization and medical care premiums and payroll taxes			1						
1	Statutory authority	-	-	-	-	Health Insurance Act; S.Q. 1970, c. 37 and amendments.	The Health Insurance Act; S.O. 1972, c. 91.			
2	Basis	-	_	-	_	Employer payroll.	Monthly premiums:			
3	Rate	-	-	-	_	1.5% of payroll without limit.	Maximum rates: Single . \$19 Family . \$38			
4	Comments	-	-	-	_	-	Intermediate rates:  Single:  Taxable income up to \$2,500 . exempt \$2,500 - \$3,000 . \$ 9.50  Family:  Taxable income up to \$3,000 . exempt \$3,000 - \$4,000 . \$ 9.50 \$4,000 - \$4,500 . \$19.00 \$4,500 - \$5,000 . \$28.50  Persons 65 years of age and over are exempt.			
	Miscellaneous taxes						Hospitalization and medical care premiums are combined.			
5	Name of tax	-	_	-	_	Immoveable property transfer duties.	Professional boxing and wrestling events			
6	Statutory authority	_	_	_	_	Land transfer Duties Act, Ch. 23, S.Q. 1976.	The Athletics Control Act; R.S.O. 1970, c. 35.			
7	Basis		-	_	_	Value of immoveable property transferred to non-residents.	Gross receipts of professional boxing and wrestling events.			
8	Rate	_		-	_	33%	2%			
9	Comments	_	-	-	_		-			
10	Name of tax						Land transfer toy			
	Name of tax						Land transfer tax			
		_		_	_	_	The Land Transfer Tax Act; S.O. 1974, c. 8.			
	Basis	_	_	_	_	man.	Purchase price.			
13	Rate	-	-	-		-	Up to \$35,000 - 3/10 of 1%. Over \$35,000 - 3/5 of 1%. 20% where land conveyed to non-resident. Land zoned or assessed commercial or industrial is exempts.			
14	Comments	_	_	-	_	-	-			
15	Name of tax	_	_	_		-	Land speculation tax			
16	Statutory authority	_	-	_	9000	_	The speculation Tax Act; S.O. 1974, c. 17.			
17	Basis		-	-	_	-	Increase in the value of "designated land" (all real property in Ontario except Canadian resource property).			
18	Rate		_	_		_	20%			
19		_	-		_	-	Certain transfers of land and properties, as as specified in the Act (Section 4) are exempt.			

TABLE 6. Miscellaneous Provincial Levies - Concluded

TABLE 6. Miscellaneous Provincial Levies — Concluded										
Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No				
						1				
				:		,				
-		The Health Insurance Premiums Act; R.S.A. 1969, c. 45 and amendments.	Medical Services Act; S.B.C. 1967, c. 24.	Health Care Insurance Plan Ordinance; R.O.Y.T. 1971, c. II-1.		1				
-	-	Annual premiums.	Monthly premiums.	Monthly premiums.		2				
-	-	Single \$ 91.80 Family \$183.60 A \$5 non-insurable registration fee is levied.	Single \$ 7.50 Family of two \$15.00 Family of three or more \$18.75	Single \$ 4.75 Family of two \$ 9.25 Family of three or more \$11.00		3				
	-	Persons 65 years of age and over, persons with taxable incomes below \$2,000 and families with taxable incomes below \$3,000 do not have to pay premiums. Individuals with taxable incomes of \$2,000-\$3,000 pay only \$46.80. Similarly, families with taxable incomes of \$3,000-\$4,000 pay \$93.60. Hospitalization and medical care contributions are combined.	The hospital insurance program is financed from general tax revenue.  The province subsidizes 90% of the premiums of persons with no taxable income in the previous year and 50% of the premiums of persons with taxable income not in excess of \$1,000 in the previous year.	The Territory subsidizes 100% of the premiums of persons with no taxable income and 50% of the premiums of single persons with taxable income of less than \$500, of families of two with taxable income of less than \$1,000 and of families of three or more with taxable income less than \$1,300.		4				
Tax on electricity, telephone service and other services	Motor vehicle insurance tax	Bus mileage tax	-	Fur tax	Fur tax	5				
The Revenue Act (Part I); R.S.M. 1970, c. R-140 and amendments.	The Motor Vehicle Insurance Premi- ums Tax Act; R.S. S. 1967, c. 19.	The Public Service Vehicles Act; R.S.A. 1970, c. 300 and amendments.		Fur Export Ordinance; R.O.Y.T. 1971, c. F-12 and amendments.	Fur Export Ordinance; R.O.N.T. 1974, c. F-11.	6				
Purchase price of tax- able products which include electricity, certain natural and manufactured gas, coal and derivatives.	Gross premiums receivable.	By passenger mile.	-	Per pelt exported.	Per pelt exported.	7				
5%	1%	1/15 of \$0.01 per passenger mile on hard surface roads; 2/45 of \$0.01 per passenger mile on gravel roads.		Various rates.	\$1	. 8				
omestic purchase of taxable product used for heating dwelling, steam or hot water are exempt.				Rates are established by regulations with a range from \$0.01 to \$5 per pelt.		9				
-		- !	_			10				
-	-		-		-	11				
-			-		-	13				
		-				14				
					*	15				
_					-	17				
-						18				
-						19				
					1					



# PART III

TAXES LEVIED BY MUNICIPAL GOVERNMENTS



### TAXES LEVIED BY MUNICIPAL GOVERNMENTS

The principal revenue available to municipalities from own sources is that generated by taxes on the ownership and occupancy of real property situated within their boundaries. The most important of such taxes are the real property tax, including grants in lieu of taxes, which accounted for 68% of own source revenue in 1977 followed by business taxes (7%) and special assessment taxes (3%).

### Real property tax

The taxation of real property at the local level is generally governed by provincial legislation. Such legislation empowers municipal councils to levy real property taxes for their own revenue requirements and obligates them to levy real property taxes for the revenue requirements of other local government entities, also governed by provincial statutes, such as school boards, county or regional governments and special authorities (e.g., Conservation Authorities or Regional Health Units in Ontario, or Regional Hospital Boards in British Columbia). In Quebec, the Montréal Urban Community levies a special real property tax on the assessment in excess of \$100,000 of all real properties which are included in its assessment roll. This tax is collected by member municipalities.

In some provinces, however, bodies other than Municipal Councils have taxing authority in their own right. In Newfoundland, for example, School Tax Authorities levy and collect school taxes; in Prince Edward Island and New Brunswick regional school boards may levy property taxes to supplement the provincial educational program (this authority has not been used to date). In Quebec school boards are empowered to levy a real property tax which they may collect directly or they may employ the municipality as their collecting agency. In British Columbia district school boards in non-municipally organized areas set the rates of real property taxes for school purposes but collections are made by the province.

The real property tax rate is generally expressed in mills (an amount per \$1,000 of the base) or in dollars (an amount per \$100 of the base). It is, however, very difficult to make valid comparisons of rates across Canada. Some of the principal factors affecting rate comparability are:

- (a) widely varying methods of assessment of real property value not only among the provinces but also, to a large extent, among local entities within a province;
- (b) different ways of determining the fair market value or real value of properties among assessment authorities;
- (c) varying practices in establishing the value of taxable assessment at percentages of the total assessed real value;
- (d) various degrees of development of the municipal system from one province to another;
- (e) uneven delegation of responsibilities to municipalities by the government of each province and, hence, different form and magnitude of the financial assistance that municipalities receive from their respective provincial government

For reasons such as these, specific rates of real property taxes are not reported in this publication. However, the main aspects of the real property ax are set out in Table 7.

### **Business** tax

Proceeds from the business tax levied on the owners or operators of a business, above and over the real property tax, are the second most important evenue available to municipalities from own sources. There are numerous bases upon which business taxes are imposed, among which the most commonly used throughout the provinces are as follows:

(a) Rental value — The business tax rate is applied to a specific or pre-cribed percentage of the assessed rental value of either the entire real property

or, as the case may be, the part used to carry out business. Maximum rates of taxation and percentages of rental value are generally laid down by statutes or fixed by a by-law. Rental value of business real properties may be used as the basis for business tax by all municipalities in Manitoba, Alberta and British Columbia; as well as by cities and towns in Quebec and cities in Saskatchewan.

- (b) Real property assessment The value on which the business tax is levied is determined through the application of percentages (generally established by provincial legislation) to the assessed value of real property occupied for business purposes. This is the case in Ontario and Newfoundland. In New Brunswick, a special rate, in addition to the property tax rate, is imposed on the portion of the property used or occupied for business purposes and this portion is assessed in the name of the occupier. Both real property and business taxes are collected by the New Brunswick government which pays 100 per cent of the warrant to the municipality. There is no business tax as such in Prince Edward Island. A tax rate applies to all properties or parts thereof which are used for commercial purposes, and the assessment is made in the name of the owner.
- (c) Stock-in-trade The tax base is the assessed average value of goods on hand at a specified date. Actual costs, selling prices or any intermediate estimated value may be used to determine the tax base. This type of base for business taxation purposes is used, in varying degrees, in Newfoundland and Quebec.
- (d) Square footage In this instance, the business tax payable is determined by applying a dollar rate per square foot of the premises' area occupied to carry out business activities. This way of determining the business tax is widely used in Saskatchewan, the Yukon and, to a lesser extent, in Alberta.
- (e) Fixed annual fees In most provinces annual fees are levied under the form of a business licence, in addition to the business tax referred to above. They may also be levied in lieu of business taxes.

Business tax rates applied to any one of the above-described tax bases vary among types of business and between cities and other categories of municipal legal organizations, i.e., towns, rural municipalities, villages, etc.

### Special Assessment and Local Improvement Taxes

Unlike the above-described municipal levies, special assessment and local improvement taxes usually relate to the supply of specific services.

The first type, special assessment taxes, is generally, but not always, levied throughout a municipality's territory for financing all or part of services benefiting the entire or a large proportion of the local population. For instance, services such as the supply of water, street lighting, garbage collection and disposal may bear a special tax consisting of either a charge related to the consumption of a particular service (e.g., the consumption of water in the case of water supply), a fixed amount per ratepayer based on the costs of the service or a special rate against the assessed value of real property, land area or frontage on streets.

The second type of levies, local improvement charges, are established chiefly for financing specific new undertakings (e.g., sidewalks, sewers, water mains, roads, etc.) and are generally, but not always, temporary. In other words, they should theoretically last as long as required to finance all or portions of the initial capital expenditure entailed by the new undertaking. Usually, the initial costs are distributed among the ratepayers receiving direct benefits from the new service. Criteria used to distribute these costs vary, however, among municipalities: in some cases, only the residents of a particular area within the municipality bear such costs while, in other instances, all ratepayers of the municipality are taxed although they may not benefit directly from the related undertaking. In addition, the base upon which costs are apportioned may take various forms, such as the total or a portion of the real property assessed value, land area or frontage on streets.

The wide variety of existing arrangements makes interprovincial comparisons of the above-described taxes impractical.

<sup>1</sup> For further information of municipal revenue, refer to Local Government Finance, Catalogue 68-203.

TABLE 7. Main Aspects of the Real Property Tax										
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario			
1	Statutory authority	(a) The Assessment Act; R.S.N. 1970, c. 14 and amendments.  (b) The Local Government Act; S.N. 1972, Act No. 32 and amendments.  (c) Local School Tax Act; R.S.N. 1970, c. 220 and amendments.  (d) The Forest Land (Management and Taxation) Act; S.N. 1974, Act No. 59 and amendments.	(a) Real Property Assessment Act; R.S.P.E.I. 1974 c. R-5 and amendments. (b) Real Property Tax Act; R.S.P.E.I. 1974, c. R-6 and amendments. (c) The School Act; R.S.P.E.I. 1974, c. S-2 and amendments.	(a) The Assessment Act; R.S.N.S. 1967, c. A-14 and amendments.  (b) The Municipal Act; R.S.N.S. 1967, c. 192 and amendments.  (c) The Education Act; R.S.N.S. 1967, c. 81 and amendments.  (d) The Land Tax Act; R.S.N.S. 1967, c. 161 and amendments.  (e) Halifax City Charter; S.N.S. 1963, c. 52 and amendments.	(a) The Assessment Act; R.S.N.B. 1973, c. A-14 and amendments.  (b) Real Property Tax Act; R.S.N.B. 1973, c. R2 and amendments.	(a) Real Estate Assessment Act; S.Q. 1972, c. 50 and amendments.  (b) The Cities and Towns Act; R.S.Q. 1964, c. 193 and amend- (c) Municipal Code; S.Q. 1870, c. 68; revised in 1916 and further amended. (d) Quebec and Montreal Town Charters.  (e) Education Act; R.S.Q. 1964, c. 235 and amendments.	(a) Assessment Act; R.S.O. 1970, c. 32 and amendments.  (b) Municipal Act; R.S.O. 1970, c. 284 and amendments.  (c) The Provincial Land Tax Act; R.S.O. 1970, c. 370 and amendments.  (d) Separate Schools Act; R.S.O. 1970, c. 430 and amendments.			
2	Method of assessment	(b) (c) Assessment at actual value by municipal assessors under the supervision of a provincial appointed director of assessments.  (d) Fair market value of unmanaged land and net present value of managed land.	made by the prov- ince at the mar- ket value or real value of real property consid- ered eitner as commercial or non-commercial.	(a) (c) Assessment made at the actual cash value of property.  (d) Value of land assessed, for purposes of taxation, at \$2 an acre.  (e) Assessed value as determined by the city assessor.	(a) Assessment made at real and true value of real property by provincial assessors.	(a) (b) (d) (e) Assessment made at real value of property in accordance with the provincial assessment handbook.	(a) Lands and buildings assessed at market value annually by provincial assessment commissioner. The province is divided into assessment areas and assessment districts.			
3	Rate determination	(b) Determined by Municipal Councils.  (c) Fixed annually by the Authority of the School Tax Area, whether as a real property or as a poll tax or both, who levies and collects it.  (d) Persons holding timber rights are subject to a standard land tax not to exceed \$0.21 per acre. An additional tax of 5% on the fair market value of unmanaged land and of 1% on the net present value of managed land.	mined, levied and collected by the province.  (b) The rate of tax levied on commercial realty is 1.5% and on all non-commercial realty is .75%.	(a) Determined by City Councils.  (c) Area rate on the assessed value of property, determined by municipality council, necessary to evy sums required by trustees of school authorities.  (d) Determined and levied by the province on value of taxable land.	vied and col- lected by the province: addi- tional rates de- termined by re- gional school boards if neces- sary.	(b) (c) (d) Determined by Municipal Councils.  (e) A uniform rate of \$1.05 throughout the province, as determined by the Department of Education, but school boards are free to charge an additional rate to meet certain expenditure. School taxes are levied and collected by school boards in most of the province, except in the cities of Montréal, Quebec and Sherbrooke where collection is made on behalf of school boards by the municipality.	(b) Determined annually by Municipal Councils for general and public school purposes.  (c) In unorganized regions, provincial property tax of 1 1/2%; minimum tax in respect of any land: \$6.  (d) Determined by separate school boards but generally collected by the municipality.			

_		TABLE 7. Main Aspects of the Real Property Tax					
-	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
	n) The Municipal Assessment Act; R.S.M. 1970, c. M226 and amendments.  b) The Municipal Act; R.S.M. 1970, c. M225 and amendments.	(a) The Urban Municipalities Act; S.S. 1970, c. 78 and amendments.  (b) The Rural Municipality Act; S.S. 1972, c. 101 and amendments.	(a) The Municipalities Assessment and Equalization Act; R.S.A. 1970, c. 252 and amendments.  (b) The Municipal Taxation Act; R.S.A. 1970, c. 251 and amendments.	(a) The Assessment Act; S.B.C. 1974, c. 6 and amendments.  (b) Municipal Act; R.S.B.C. 1960, c. 255 and amend-	Taxation Ordinance; O.Y.T. 1972, c. T13 and amendments.	(a) Municipal Ordinance: R.O.N.I. 1974, c. M-15.  (b) Property Taxation Ordinance; O.N.I. 1975, c. Tl.	1
(c	) Major cities' individual city charters.	(c) The Local Improvement Districts Act; R.S.S. 1965, c. 151 and amendments.	(c) The School Act; R.S.A. 1970, c. 329 and amendments.	ments.  (c) Public School Act; R.S.B.C. 1960, c. 319 and amend- ments.			
(d	) The Public School Act; R.S.M. 1970, c. P250 and amendments.	(d) The Northern Administration Act; R.S.S. 1965, c. 412 and amendments.	(d) The Electric Power and Pipe Line As- sessment Act; R.S.A. 1970, c. 119 and amendments.	(d) Taxation Act; R.S.B.C. 1960, c. 376 and amend- ments.		1	ı
	) The Northern Affairs Act; R.S.M. 1970, c. N100 and amendments.	(e) The School Assess- ment Act; R.S.S. 1965, c. 187 and amendments.		(e) Vancouver Charter, S.B.C. 1953, c. 55 and amendments.			
(f	The Local Government Districts Act; R.S.M. 1970, c. L190 and amendments.						
(a)	) Lands assessed at full value. Buildings assessed at two-thirds of value. Business assessment is the annual rental value. ) Provincial-municipal assessor to supervise municipal assessments and equalize assessments as between municipalities. ) Provincial-municipal assessor to prepare balanced assessment for Public Schools Finance Board.	(a) Land assessed at a percentage of market value; buildings assessed at a percentage of base level value. (b) (c) (d) Land assessed at a percentage of market value; buildings assessed at a percentage of base level value. (e) Taxable assessment for municipal purposes.	(b) Real and personal property is assessed at varying rates and by varying means as outlined in the Department of Municipal Affairs assessment manual.	(a) Lands and improvements appraised at market value and placed on assessment roll at a fraction of the appraised value.  (b) (c) (e) Land assessed at full value and improvements at 75% of full value.	Land assessed at fair value; improvements assessed in accordance with the assessment manual approved by the Commissioner.	(a) Land assessed at fair value; buildings at 2/3 of fair value.  (a) Land and improvements assessed separately at fair actual value.	2
(d	Determined by municipal councils.  School tax: determined by municipal councils upon receipt of requisition of funds for school purposes from the provincial government and school boards.  A real property tax, at a rate determined by the province, may be levied and collected in unorganized northern areas by the Commissioner of Northern Affairs.	(a) (b) Determined by Municipal councils. (c) Determined by the Minister of Municipal Affairs. (d) Determined by the administrator of the Act. (e) Requisitions upon municipalities to levy amounts necessary to meet requirements of school boards.	(b) (d) Determined by Councils to meet amounts requisitioned upon them.  (c) School boards must submit, in a prescribed form to municipalities, requisitions stating the amounts of property tax revenue to be raised by each municipality. This provision does not apply to school boards empowered to collect their own school taxes.  (c) Each municipality should pay into the School Foundation Program Fund amounts resulting from applying a rate, not exceeding 32 mills, to the equalized assessment as established under the Act mentioned in (a).	(b) Determined by Municipal Councils for own requirements and those requisitioned upon them by various boards. (c) Determined by school boards and stated in their requisitions upon municipalities or upon the province in unorganized areas. (d) Determined by the province in unorganized area. (e) Determined by City Council.	Determined by Municipal Councils for real properties within municipal boundaries for both municipal and school purposes, and by territorial Councils for real properties in non- municipal organized areas for school pur- poses.	(a) Determined by the council of every district. (b) Determined by the Commissioner in unorganized areas for general purposes. (b) In addition the Commissioner may, for school purposes, levy in hamlets a property tax not exceeding 20 mills.	3

TABLE 7. Main Aspects of the Real Property Tax - Concluded

	TABLE 7. Main Aspects of the Real Property Tax — Concluded						
No.		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
4	Main exemptions	(b) Crown property; lands and buildings used for educational or religious purposes; lands and buildings used in connection with a provincially subsidized hospital; lands and buildings used for library purposes; historical property; land used solely on a non-profit basis for community games, sports, athletics, etc., property used by a charitable or philanthropic institution. Other tax exemptions voted by Municipal Councils.	(b) Places of public worship; non-profit cemetery or burying ground; public parks; Crown lands; buildings or structures which are part of a purification system but not the land on which they are situated; university lands; public educational institutions, real property owned or used by the Maritime Christian College for religious education; real property owned by the Queen in right of Canada.  (c) Real property of cheese and butter factories; public halls; orphanages; cemeteries; parochial residences; school; churches; hospitals.	(a) Crown property; church property; schools; municipal buildings; school lands; city, town and municipal property; firefighting equipment; property of infants; agricultural society property; farm tools, livestock; tools, livestock; tools of tradesmen; fishing equipment; farm produce; animals' pelts; sea products; railway stock; boats; property used in offshore petroleum exploration; Royal Canadian Legion; Boy Scouts; Girl Guides; hospital property; aircraft; village property; bomb shelter. Tax exemptions voted by Legislature.	(a) Real property owned by a church or religious order and used solely for religious, educational or charitable purposes; burying grounds; real property used for educational purposes and owned by universities and affiliated colleges and private schools; property owned by scientific, literary and historical socities; real property owned by voluntary fire associations; real property owned by voluntary fire associations; real property to the extent of one acre of land used as resident by a self supporting wife with an income of less than \$5,000 where the assessed value does not exceed \$25,000 (maximum exemption \$4,000).	(b) Crown lands; federal, provincial and municipal property; property owned by fabriques, religious, charitable or educational institutions; churches; cemeteries; libraries; subsidized rail-way; private educational establishments and institutions; registry offices; exhibition property of agricultural and horticultural societies; property of school municipalities governed by special acts. Tax exemptions voted by Municipal Councils.	(a) Crown lands; Indian lands; churches; cemeteries; public educational institutions; philanthropic or religious seminaries; educational seminaries; public hospitals; highways; municipal property; Boy Scouts and Girl Guides; industrial farms; charitable institutions; children's aid societies; scientific or literary institutions; battle sites; exhibition buildings of companies; machinery for manufacturing or farming purposes; land used for forestry purposes; property of telephone and telegraph companies; religious institutions; navy leagues; mining buildings and minerals.
5	Comments	(d) Lands under 300 acres, area situated in St. John's or Corner Brook; assessed under the Local Government Act.  (e) Minimum real property tax of \$20. The cities of St. John's and Cornerbrook levy taxes under separate Acts.	All real property including real property owned by the Crown is assessed at its market value.	Persons aged 65 years or over are exempt from property tax. Widow, unmarried women or deserted wife may have an exemption up to \$4,500.	School district and local service district tax rates are fixed annually by the Minister of Municipal Affairs.  The province collects the provincial property tax and also collects the tax which a municipality desires to levy in addition to the provincial tax.	For municipalities governed by the Municipal Code, assessment is made by County Councils.  Factors of correction are applied to municipal assessments for school tax purposes by the Department of Education.	(b) Minimum real property tax of \$1 levied by the province in unorganized areas.

TABLE 7. Main Aspects of the Real Property Tax - Concluded

		BLE 7. Main Aspects of th	ic Real Hoperty Tax — C	oncluded		
Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Northwest Territories	No.
Prown lands, Indian lands; municipal lands, public and private school lands and buildings: hospitals; educational institutions; churches; Sunday schools; buildings used for religious purposes; public burying grounds; lands and buildings of old age homes; agricultural societies; colleges and seminaries; charitable institutions; Y.M.C.A.; Y.M.H.A.; municipal buildings for community purposes.	Crown property, Indian lands; place of public worship and connected land under certain conditions; certain remeteries; certain property owned and occupied by a school district or school unit; hospital buildings and ground under certain conditions; Y.M.C.A.; Y.W.C.A.; law school established and maintained by the Benchers of the Law Society of Saskatchewan; municipal property; highways, lane, park; public libraries; building and grounds owned by a branch of the Royal Canadian Legion Saskatchewan command; veterans and disabled veterans, association of Saskatchewan; the Canadian Mental Health Association; war memorial and ground connected therewith; Child Welfare Society; buildings owned by a rural municipality and used for municipality and used for municipality and used for municipality and used for municipality and used for municipality and used services.	Land and improvements owned by a municipality or the Crown; school buildings and school lands owned by a school district or school division, parcel of land held by or for the use of any religious body; building used for public worship or religious education; cemeteries; land of a provincially subsidized hospital; minerals; farm buildings; growing crops; irrigation works held by an irrigation district; property held by a public college or any educational institution; land and improvement vested in a library board.	Crown lands; municipal lands; public libraries; property vested in school boards; Indian lands; cemeteries; churches: homes for the aged; public hospitals; private education and institutions; fruit trees; farm improvements; parks or recreation facilities owned by another municipality; parks property used for athletic or recreational purposes; charitable organizations; agricultural and horticultural societies; historical sites; property used and land acquired for water purposes; fixture, machinery, etc., removable by tenants.	Crown land; land for the public use of the Territory; land used by municipalities; universities; libraries; hospitals, mental institutions, orphanages and homes for the aged supported entirely by the Territory; land used for cemeteries; land and buildings held by or for the use of divine service, public worship or religious education.	Property owned by a literary or scientific institute or society or orphanage, university, hospital, public library, asylum or home for the aged or intirm; property owned by a municipal district or held by the Crown; property used as a public or separate school; church; cemeteries.	4
		Pipelines, electric works and transmission lines are assessed under the Electric Power and Pipe Line Assessment Act; R.S.A. 1970, c. 119 and amendments.	Taxes are levied on land alienated from the railway company under the Esquimalt and Nanaimo Railway Belt Land Tax Act; R.S.B.C. 1960, c. 133.	A school tax is levied by the territorial government on the assessed value of real property outside a municipality's boundaries.  There is a basic rate of school tax determined by the territorial Commissioner, collected by the municipalities and paid to the territorial treasurer.	In hamlet an education tax is levied on the assessed value of all lands by the terri- torial government.	5



# PART IV

HISTORICAL TABLES OF THE MOST IMPORTANT TAXES

TABLE 1. Personal Income Taxes Levied by the Federal Government, 1972 and 1974 to 1978

	TABLE 1. Personal Income Taxes Levied by the Federal Government, 1972 and 1974 to 1978				
No.	1972	1974	1975		
1	175 " 1,000 " 19% " " 1,000 365 " 2,000 " 20% " " 1,000 565 " 3,000 " 21% " " 2,000 985 " 5,000 " 23% " " 2,000 1,445 " 7,000 " 25% " " 2,000 1,945 " 9,000 " 27% " " 2,000 2,485 " 11,000 " 31% " " 3,000 3,415 " 14,000 " 35% " 10,000 6,915 " 24,000 " 39% " " 15,000	12% on the first \$500 of taxable income  \$ 64 on \$ 533 plus 18% on next \$ 533	9% on the first \$587 of taxable income  \$ 53 on \$ 587 plus 18% on next \$ 587 158 " 1,174 " 19% " " 1,174 382 " 2,348 " 20% " " 1,174 616 " 3,522 " 21% " " 2,348 1,109 " 5,870 " 23% " " 2,348 1,649 " 8,218 " 25% " " 2,348 2,236 " 10,566 " 27% " " 2,348 2,870 " 12,914 " 31% " " 3,522 3,962 " 16,436 " 35% " " 11,740 8,071 " 28,176 " 39% " " 17,610		
	12,765 " 39,000 " 43% " " 21,000 21,795 " 60,000 " 47% "excess	13,581 " 41,574 " 43% " " 22,386 23,207 " 63,960 " 47% "excess	14,939 " 45,786 " 43% " " 24,654 25,540 " 70,440 " 47% "excess		
	PERSONAL EXEMPTIONS				
2 3 4 5 6	Individuals taxed as married \$2,850 Individuals taxed as single 1,500 Dependant child 16 years of age 300 Other dependants 550 Taxpayer aged 65 years or over. 1,000	\$3,198 	\$3,522 1,878 352 646 1,174		
	DEDUCTIONS				
7	Employment expenses up to the lesser of 3% of employment income or \$150.  Charitable donations up to 20% of net income.  Gifts to the federal and provincial governments.  Medical expenses in excess of 3% of net income.  An optional standard deduction of \$100 in lieu of claiming charitable donations and medical expenses.  \$1,000 for blind persons and persons confined to a bed or wheelchair.  Payments of supplement under Old Age Security Act.  \$50 for each month in attendance at a post-secondary institution for students and/or supporting individuals.  Non-capital losses sustained in any of the five preceding years, net capital losses up to the amount of any taxable gains (maximum of \$1,000 may be deducted from other sources of income) and restricted farm losses of prior years to the extent of farm income.	\$1,066 for blind persons and persons confined to a bed or wheelchair. Interest income up to \$1,000.  A portion of political contributions to registered parties and candidates up to a maximum of \$500.  Other deductions remain unchanged.	\$1,174 for blind persons and persons confined to a bed or wheelchair. Interest and Canadian dividend income up to \$1,000. \$1,000 for pension income other than universal pension plans. Other deductions remain unchanged.		
١,	TAX REDUCTIONS AND CREDITS				
8	General averaging when income exceeds 120% of average income of the preceding four years or 110% of income for the immediately preceding year.  Averaging for farmers or fishermen for a block of five years.  24% tax abatement for income earned in Quebec in compensation for the province's opting-out of certain shared-cost programs.  A general 3% reduction of basic federal tax (minimum of \$200 and maximum of \$500).  A credit for dividends from Canadian corporations. (The amount of dividends received is increased by 33 1/3% and 20% of the so increased dividend is allowed as a credit against tax.)  An inter vivos trust (other than mutual fund trust) established after June 17, 1971 which is taxed at the greater of 39% or rates applicable to individuals.  A foreign tax credit is applicable to foreign non-business income and income from business carried on in a foreign country.	A general 5% reduction of basic tax (minimum reduction \$100, maximum \$500) replaces the 1972 reduction of 3%. (Effective 1973.)  Other reductions remain unchanged.	A general 8% reduction of basic federal tax (minimum \$200, maximum \$500) replaces the 1973 reduction of 5%.  Other reductions remain unchanged.		
	AREOLI V. T. V.				
9	SPECIAL TAX 30% on income earned in the Yukon and Northwest Territories and in another country.	Same as 1972	Same as 1974		
	SURTAX				
10	Rate		_		

TABLE 1. Personal Income Taxes Levied by the Federal Government, 1972 and 1974 to 1978

	1976	1977	19-8	N
	% on the first \$654 of taxable income  39 on \$ 654 plus 18% on next \$ 653 157 " 1,307 " 19% " " 1,307 405 " 2,614 " 20% " " 1,307 667 " 3,921 " 21% " " 2,614 1,216 " 6,535 " 23% " " 2,614 1,216 " 6,535 " 23% " " 2,614 1,817 " 9,149 " 25% " " 2,614 1,3176 " 11,763 " 27% " " 2,614 3,176 " 14,377 " 31¼ " " 3,921 4,392 " 18,298 " 35% " " 13,070 8,966 " 31,368 " 39% " " 19,605 16,612 " 50,973 " 43% " " 27,447 28,414 " 78,420 " 47% " excess	6% on the first \$710 of taxable income \$ 43 on \$ 710 plus 16% on next \$ 709 156 " 1,419 " 17% " " 1,419 397 " 2,838 " 18% " " 1,419 653 " 4,257 " 19% " " 2,838 1,192 " 7,095 " 21% " " 2,838 1,788 " 9,933 " 23% " " 2,838 2,441 " 12,771 " 25% " " 2,838 2,441 " 12,771 " 25% " " 2,838 3,150 " 15,609 " 28% " " 4,257 4,342 " 19,866 " 32% " " 14,190 8,883 " 34,056 " 36% " " 21,285 16,546 " 55,341 " 39% " " 29,799 28,167 " 85,140 " 43% " excess	6% on the first \$761 of taxable income \$ 46 on \$ 761 plus 16% on next \$ 760 167 " 1,521 " 17% " " 1,521 426 " 3,042 " 18% " " 1,521 700 " 4,563 " 19% " " 3,042 1,916 " 10,647 " 23% " " 3,042 2,616 " 13,689 " 25% " " 3,042 2,616 " 13,689 " 25% " " 3,042 2,616 " 13,689 " 25% " " 15,210 3,377 " 16,731 " 28% " " 4,563 4,654 " 21,294 " 32% " " 15,210 9,521 " 36,504 " 36% " " 22,815 17,735 " 59,319 " 39" " 31,941 30,192 " 91,260 " 43% " excess	No. 1
	\$3,921 2,091 392 719 1,307	. \$4,260 . 2,270 . 430 . 780 . 1,420	\$4,560 	2 3 4 5 6
	1,307 for blind persons and persons confined to a bed or wheelchair. ther deductions remain unchanged.	Employment expenses up to the lesser of 3% of employment income or \$250. \$1,420 for blind persons and persons confined to a bed or wheelchair.  Interest, dividends and capital gains on Canadian securities up to \$1,000.  Non-capital losses sustained in any five preceding years, net capital losses up to the amount of any taxable capital gains (maximum \$2,000) may be deducted from other sources of income and restricted farm losses of prior years to the extent of farm income.  Other deductions remain unchanged.	a hed or wheel chair	7
	Same as 1975	16.5% tax abatement for income earned in Quebec in compensation for the province's opting-out of certain shared-cost programs.  A general % of tax payable with a minimum of \$200 and a maximum of \$500.  25% of the taxable amount (actual amount "grossed up" by one-half) of dividends from taxable Canadian corporations.  Other reductions remain unchanged.	A general 9% of tax payable with a minimum of \$300 and maximum of \$500.  Other reductions remain unchanged.	8
	Same as 1975	43%	43% on income earned in the Yukon and in another country.	9
10	% on tax payable exceeding \$8,000.	The surtax is repealed.	Same as 1977	10

TABLE II. Personal Income Taxes Levied by the Province of Quebec, 1972 and 1974 to 1978

No.	1972	1974	1975
-	RATES		
1	10% on first \$2,000 of taxable income  \$ 200 on \$ 2,000 plus 11% on next \$ 1,000  310	Same as 1972	0% on first \$2,000 of taxable income \$ 0 on \$ 2,000 plus 16% on next \$ 7,00 1,120 " 9,000 " 18% " " 2,00 1,480 " 11,000 " 20% " " 3,00 2,080 " 14,000 " 22% " " 10,00 4,280 " 24,000 " 24% " 15,00 7,880 " 39,000 " 26% " 21,00 13,340 " 60,000 " 28% " excess
	Health insurance tax: 0.8% of net income; maximum: \$125 at least 3/4 of net income is salary and \$200 otherwise.	Same as 1972	Same as 1974
	EXEMPTIONS		
2	Individuals taxed as married     \$2,850       Individuals taxed as single     1,500       Child 16 years of age and over de pendant on taxpayer     550       Taxpayer aged 65 years of age or over     650	Same as 1972, except for the following: Taxpayer aged 65 years of age or over\$1,000	Same as 1974, except for the following: Individuals taxed as married \$3,5 Individuals taxed as single 1,6 \$1,000 for pension income other than u versal pension plans.
	Low income:  No tax is payable if income does not exceed \$2,000 if single or \$4,000 if married.	Income levels raised to \$2,600 and \$5,200. Single and married taxpayers whose income is between \$2,600 and \$2,850 and \$5,200 and \$5,785 respectively, are to pay taxes no higher than 50% of the difference between their net income and the amount of their exemptions.	Tax relief abandoned since the new income to measures exempt from taxation income \$3,931 for single taxpayers and \$5,957 f married taxpayers.
	DEDUCTIONS		
3	Employment expense: Certain deductions are available for some expenses related to employment, such as the purchase of certain tools and special clothing, moving expenses and child care expenses.	\$1,000 for blind persons and persons confined to a bed or wheelchair.  Employment expense \$ 150 (Effective 1973)	Employment expense
	\$650 for blind persons and persons confined to a bed or wheelchair.	Interest income \$1,000	Other deductions remain unchanged.
	Union or professional dues: No restriction.	Other deductions remain unchanged.	
	Charitable donations: Up to 10% of income.		
	Medical expenses:  Over 3% of income or standard deduction of \$100 in lieu of claiming deductions for charitable donations and medical expenses.		
	TAX CREDIT		
4	Credit for dividends from Canadian corporations: 50% of corresponding federal credit.	Same as 1972	Same as 1974

## TABLE III. Personal Income Taxes Levied by the Provinces Other than Quebec, 1972 and 1974 to 1978

No.	Province	1972	1974	1975
1	Newfoundland	36.0%	40.0% (July 1)	40.0%
2	Prince Edward Island	36.0%	36.0%	36.0%
3	Nova Scotia	38.5%	38.5%	38.5%
4	New Brunswick	41.5%	41.5%	41.5%
5	Ontario	29.585%	30.5%	30.5%
6	Manitoba	42.5%	42.5%	42.5%
7	Saskatchewan	37.0%	40.0%	40.0%
8	Alberta	36.0%	36.0%	26.0%
9	British Columbia	30.5%	30.5%	30.5%
10	Northwest Territories	_	_	_

TABLE II. Personal Income Taxes Levied by the Province of Quebec, 1972 and 1974 to 1978

1976	1977	1978	No.
Same as 1975	Same as 1976	13% on the first \$577 of taxable income \$ 75.01 on \$ 577 plus 14% on the next \$ 667 168.39 " 1,244 " 15% " " " 771 284.04 " 2,015 " 16% " " 891 426.60 " 2,906 " 17% " " 1,030 601.70 " 3,936 " 18% " " 1,191 816.08 " 5,127 " 197 " " 1,191 816.08 " 5,127 " 197 " " 1,377 1.077.71 " 6,504 " 20% " " 1,591 1.395.91 " 8,095 " 217 " " " 1,840 1.782.31 " 9,935 " 217 " " " 2,126 2,250.03 " 12,061 " 23% " " 2,458 2,815.37 " 14,519 " 247 " " 2,841 3,497.21 " 17,360 " 25% " " 3,284 4,318.21 " 20,644 " 26% " " 3,797 5,305.43 " 24,441 " 27% " " 4,388 6,490.19 " 28,829 " 28% " " 5,073 7,910.63 " 33,902 " 297 " " 5,864 9,611.19 " 39,766 " 307 " " " 5,864 9,611.19 " 39,766 " 307 " " 5,864 9,611.19 " 39,766 " 307 " " " 6,778 11,644.59 " 46,544 " 31% " " 7,836 14,073.75 " 54,380 " 32% " " " 6,334 16,100.63 " 60,714 " 33% " excess \$ 334 " ex	No.
Health insurance tax: 1.5% of net income; maximum: \$235 if at least 3/4 of net income is salary and \$375 otherwise.	Same as 1976	Health insurance tax: Employees' premiums are included in the income tax tables.	
Same as 1975	Same as 1976	Individuals taxed as married. \$6,300 Individuals taxed as single 3,600 Child 16 years of age and over dependant on taxpayer 900 Individual aged 65 years of age or over 1,500	2
Same as 1975	Same as 1976	\$1,500 for blind persons and persons confined to a bed or wheelchair. Other deductions remain unchanged.	3
Same as 1975	Same as 1976	Same as 1977	4

TABLE III. Personal Income Taxes Levied by the Provinces Other Than Quebec, 1972 and 1974 to 1978

1976	1977	1978	No No
42.0% (July 1) 36.0% 38.5% 40.6% 30.5% 42.5% 40.0% 26.0% 32.5% (July 1)	58.0% (July 1) 50.0% 52.5% 55.5% 44.0% 56.0% 58.5% 38.5% 46.0%	58.0% 50.0% 52.5% 54.0% 44.0% 56.0% 53.0% 38.5% 46.0%	1 2 3 4 5 6 7 8 9 10

TABLE IV. Federal Corporation Income Tax, 1972 and 1974 to 1978

	Ţ	TABLE IV. I edetal corporation in		
No		1972	1974	1975
1	General rate.	50%	48%	47%
2	Special rates	Resource production profits: 50% 25% on Canadian-controlled private corporations on first \$50,000 or active business income per year; an overall limit of \$400,000.	Same as 1972 except for the following: 25% for Canadian-controlled private corporation on first \$100,000 of active business income per year to an overall limit of \$500,000. Manufacturing and processing profits: 40% (20% for Canadian-controlled private corporations), effective 1973.	Same as 1974
3	Deductions	Charitable donations up to 20% of net income.  Gifts to the federal and provincial goverments.  Non-capital losses sustained in any of the five preceding years, net capital losses and restricted farm losses of prior years to the extent of a corporation's net capital gain and farm income respectively.  Taxable dividends from a taxable Canadian corporation and from a controlled subsidiary resident in Canada with certain minor exceptions. (Dividends received from non-resident or foreign corporations are not generally deductible.)	Same as 1972	Same as 1974
4	Reductions and credits	10% abatement of taxable income earned in a province. 7% reduction of tax payable. Foreign tax credit for taxes paid to another country on non-business income earned in Canada as define in section 126 of the Act. A logging tax deduction which is the lesser of 2/3 of logging taxes paid to a province or 6 2/3% of income from logging operations.	Same as 1972 except for the following: 15% reduction for mineral production profits. 12% reduction for oil and gas production profits. Political contributions tax credit. The 7% reduction of tax payable is repealed.	Same as 1974 except for the following: A 5% investment tax credit is applicable to new buildings, machinery and equip ment acquired between June 24, 1975 to July 1, 1977.
5	Surtax	None	10% on corporate profits earned from May 1, 1974 to April 30, 1975 (does not apply to investment, mortgage investment, mutual fund, non-resident-owned investment corporations or investment income of private corporations, manufacturing, processing petroleum or mining profits and Canadian-controlled private companies).	Same as 1974

		TABLE V. Provincial Corporation 1	Income Taxes <sup>1</sup> , 1972 and 1974 to 1978	
No.		1972	1974	1975
3 4 5 6 7 8 9	Newfoundland Prince Edward Island Nova Scotia New Brunswick Quebec Ontario Manitoba Saskatchewan Alberta British Columbia	13% 10% 10% 10% 12% 12% 13% 10% 10%	13% 10% 10% 10% 12% 12% 13% 11% 12%	13% 10% 10% 10% 12% 12% 13% 12% 11%
	Northwest Territories	<u>-</u>	-	-

<sup>1</sup> In all provinces, the tax base is the same as the federal income tax base, except in Quebec and Ontario where there are minor differences.

TABLE IV. Federal Corporation Income Tax, 1972 and 1974 to 1978

1976	1977	1978	
			No.
46%	46%	<b>46</b> %	1
Same as 1975 except for the following:  The rate of 50% on resource production profits is repealed.  25% for Canadian-controlled private corporation on first \$150,000 of active business income per year an over-all limit of \$750,000.	1	Same as 1977	2
Same as 1975	Same as 1976	Same as 1977	3
Same as 1975 except for the following: The 15% reduction for mineral production is no longer applicable. The 12% reduction for oil and gas production profits is no longer applicable.	Same as 1976 except for the following: 5% investment tax credit applicable to new buildings, machinery and equipment acquired between June 24, 1975 and July 1, 1980. (Higher rates for designated regions.) 3% of the value of inventory on hand at the beginning of the corporation's fiscal year.	Same as 1977	4
No longer applicable	Same as 1976	Same as 1977	5
			1

TABLE V. Provincial Corporation Income Taxes<sup>1</sup>, 1972 and 1974 to 1978

4.1000	Transfer Corporation Medine Taxes , 1772 and	1771101770	
1976	1977	1978	No.
14%	14%	14%	1
10%	10%	10%	2
12%	12%	12%	3
10%	12%	12%	4
12%	12%	12%	5
12%	12%	13%	6
15%	15%	15%	1 7
12%	14%	14%	8
11%	11%	11%	9
15%	15%	15%	10
_	_	10%	11

<sup>1</sup> In all provinces, the tax base is the same as the federal income tax base, except in Quebec and Ontario where there are minor differences.

TABLE VI. Federal and Provincial General Sales Taxes, 1973 to 1978

No.		1973	1974	1975
1 2	I. Federal sales tax (imposed on manufacturer's selling price of domestic products and duty paid value of imported goods):  General rate  Special rate	12% Building materials and heating equip- ment: 11%.	12%  Construction materials and equipment for buildings: 5%. (Effective November 19.)	12% Same as 1974
3	EXEMPTIONS  Unless otherwise specified these are new exemptions	Confectioneries, chocolate bars, soft drinks, fruit drinks and similar near food products: children's clothing,	Clothing and footwear.	Insulation material.
5 6	II. Provincial sales taxes (imposed on retail price): Newfoundland  Prince Edward Island Nova Scotia.	shoes and other footwear.  7%  8%  7%	8% (April 10) 8% 7% 8%	8% 8% 7% 8%
9 10	New Brunswick.  Quebec Ontario: (a) General (b) Meals and alcoholic beverages	8% 8% 7% (May 1) 10%	8% 8% 7%	8% 8% 5% (April 8) 10%
11 12 13 14	Manitoba:  (a) General  (b) Spirits, wines and imported beer Saskatchewan.  British Columbia	5% 10% 5% 5%	5% 10% 5% 5% 5%	5% 10% 5% 5%
15	EXEMPTIONS  Unless otherwise specified these are new exemptions	Nova Scotia:  Larger sizes of children's clothing and footwear; all merchandise, except automotive equipment and parts, sold to Indians on reservations for their own use. Exemption for prepared meals is raised to \$2.00 from \$1.00.  Quebec:  Exemption for meals raised from \$1.25 to \$1.50. Small sale exemption raised from \$0.10 to \$0.15.  Ontario:  Exemption for meals increased from \$2.50 to \$4. Seeds, bulbs, natural flowers, etc., household pets.  Saskatchewan:  Repeal of the exemption on railway rolling stocks, ties and steel rails.  British Columbia:  Repeal of the exemption on railway rolling stocks.	Newfoundland: Domestic fuel and heating oil.  Prince Edward Island: Goods and materials used in making clothing; soap and cleaning supplies, and articles traded in against purchases. Small sales exemption raised from \$0.10 to \$0.15. Prepared meals of less than \$2.01 exempted. Refund of sales tax to newlyweds for up to \$1,000 purchases of furniture and other household supplies within the first year of marriage. Books and other printed material of informational or literary value.  Nova Scotia:  Exemption for purchases of \$0.25 or less, medicaments used by humans or animals and prepared meals costing \$3.00 or less.  New Brunswick:  Clothing and footwear, microfilm purchases by libraries (containing information equivalent to a book ordinarily exempted), and purchases made by Status Indians off the reservation for delivery on the reservation. Prepared meals of less than \$2.01 exempted.  Ontario:  Personal hygiene items, e.g., toothpaste, baby powder, soap, detergents, etc., and footwear of \$30 or less.  Manitoba:  Exemption for prepared meals raised to \$2.99 from \$1.99. Purchases (except motor cars) made by Status Indians.  British Columbia:  Books and second-hand clothing.	Prince Edward Island:  Small sales exemption raised from \$0.15 to \$0.25.  Nova Scotia:  Anti-pollution equipment and devices purchased by manufacturers, producers and processors or other designated persons.  New Brunswick:  Laundry and drycleaning services.  Quebec:  Exemption for meals increased from \$1.49 to \$2.5 mall purchases exemption increased from \$0.15 to \$0.25. Industrial machinery exemption extended to March 31, 1977.  Ontario:  Machinery and equipment for production and/or construction purposes exempt to December 31, 1977.  Saskatchewan:  Restaurant meals; books and other reading materials.

TABLE VI. Federal and Provincial General Sales Taxes, 1973 to 1978				
1976	1977	1978	No.	
12% Same as 1975	12%	1.2% Same as 1977	1 2	
Certain energy-saving equipment such as solar furnaces and wind-powered generating equipment.	Wheelchairs and lifts, tricycles, coinage, tapestries, buses and vans for transporting the handicapped and 50% of the value of metric scales.	Nü	3	
10% (November 24, 1975) 8% 8% (March 20) 8% 8% 7% (January 1) 10% 5% 10% 5% 7% (March 27)	10%  8% 8% 8% 7% 10% 5% 10% 5% 7%	11% (March 18) 8% 8% 8% 8% 7% 10% 5% 10% 5% (April 11)	4   5   6   7   8   9   10   11   12   13   14	
Newfoundland:  Clothing. Small sales exemptions raised to \$0.19 from \$0.07.  Prince Edward Island:  Insulating materials and certain alternate energy sources.  Nova Scotia:  Electrical generation and distribution equipment purchased by certain municipalities.  Quebec:	Newfoundland:  Exemption for meals less than \$3.50% of the sale price of mobile homes. Insulation materials.  Prince Edward Island:  The exemption on the price of admission to places of amusement increased from \$0.80 to \$1.00.  Nova Scotia:  Thermal insulation materials.  New Brunswick:  Basic sales tax exemption increased from \$0.11 to	Newfoundland:  Domestic consumption of electricity. Wood burning stoves and furnaces.  Prince Edward Island:  Exemption for meals less than \$5. Goods purchased by Status Indians for consumption on the reserve with the exception of prepared meals and alcohol.  Nova Scotia:  Solar heating equipment and windmills.  New Brunswick:	15	

Production equipment bought or rented for the production of moveable property for resale. Conditional materials if they are used directly in the production of moveable property for resale.

### Ontario:

Purchases of insulation materials used in existing houses. Prepared meals of less than \$5 exempted.

Repeal of the exemption on railway rolling stock.

Basic sales tax exemption increased from \$0.11 to

Used residential mobile homes and 50% of the sale price of new units. Sale or rental of tools used to produce saleable moveable goods. Exemption for childrens' clothing and shoes repealed.

Exemption for meals from \$5 to \$6. Disposable items used by the accommodation industry in guest rooms. Exemption extended to include a widerrange of energy conservation materials and equipment. The exemption on the price of admission to places of amusement increased from \$0.75 to \$3.00.

Insulation materials used in residential construction.

### British Columbia:

Steel granaries purchased by farmers for storing grain on their farms. Exemption of 50% of the purchase price of mobile homes and 55% on the purchase price of certain modular homes. Insulation materials weak in secielarity rials used in residential housing.

Repeal of the exemption on building materials with the exception of thermal insulation materials.

Clothing, textiles, shoes and furnitures for the period April 13, 1978 to March 31, 1979. Films, magnetic tape, video tape and other items used for broadcast-

### Ontario:

The sales tax on accommodation is repealed for the period March 8, 1978 to December 31, 1979 as for the special tax of 10% on prepared meals and alcoholic beverages the rate is reduced to 7% for the period April 11, 1978 to October 7, 1978. Repeal of the exemption on railway rolling stock. Storm and double glazed doors and windows.

### Manitoba:

Exemption for 50% of the selling price of mobile homes and 55% of the selling price of modular homes. Triple glazed doors and windows. Steam heat

### Saskatchewan:

Small sales exemptions raised to \$0.25 from \$0.14. 50% of the tax paid on mobile homes is refunded.

### British Columbia:

Exemption is granted for new or repaired machinery having a minimum value of \$100 when purchased by a small business, certain farm equipment and survival suits purchased by fishermen for the period April 10, 1978 to April 1st, 1979.

TABLE VII. Provincial Taxes on Motive Fuels, 1973 to 1978

	TABLE VII. Frovincial Taxes on Motive Puels, 1973 to 1975				
No.	Province	1973	1974		
-		rates per gallon			
	Newfoundland:				
1	Gasoline and diesel fuel	\$0.25	\$0.25		
-					
	Prince Edward Island:				
2	Gasoline	\$0.21	\$0.21		
3	Diesel fuel	\$0.25	\$0.25		
	Nova Scotia:				
4	Gasoline	\$0.21	\$0.21		
4 5	Diesel fuel	\$0.27	\$0.27		
6	Aviation fuel	\$0.03	\$0.03		
	New Brunswick:				
7	Gasoline	\$0.20	\$0.20		
8	Diesel fuel	\$0.23	\$0.23		
9	Aviation fuel	\$0.03	\$0.03		
	Ouebec:				
10	Gasoline	\$0.19	\$0.19		
11	Diesel fuel	\$0.25	\$0.25		
12	Aviation fuel	\$0.03	\$0.03		
	Ontario				
13	Gasoline	\$0.19	\$0.19		
14	Diesel fuel	\$0.25	\$0.25 \$0.03		
15	Aviation fuel	\$0.03	\$0.03		
	Manitoba:				
16	Gasoline	\$0.17	\$0.15 \ (July		
17	Diesel fuel	\$0.20 \$0.02	\$0.18 J 1) \$0.02		
18	Aviation fuel	\$0.02	Ψ0.02		
	Saskatchewan:	00.10	60 12) M		
19 20	Gasoline	\$0.19 \$0.21	\$0.12 \ May \$0.16 \ 15)		
21	Aviation fuel	\$0.04	\$0.04		
	Alberta:				
22	Gasoline	\$0.15	\$0.10) (April		
23	Diesel fuel	\$0.13	\$0.12 \( \) (\) (\)		
24	Aviation fuel	\$0.03	\$0.03		
	British Columbia:				
25	Gasoline	\$0.15	\$0.15		
26	Diesel fuel	\$0.17	\$0.17		
27	Aviation fuel	\$0.03	\$0.03		
	Yukon:				
28	Gasoline	\$0.14	\$0.14		
29	Diesel fuel	\$0.16	\$0.16		
30	Aviation fuel	(April 1) \$0.02	\$0.02		
		- J. V. W.			
	Northwest Territories:				
31	Gasoline	\$0.14 \$0.15	\$0.14 \$0.15		
33		\$0.15 \$0.025	\$0.13		

TABLE VII. Provincial Taxes on Motive Fuels, 1973 to 1978

TABLE VII. Flovincial Taxes on Motive Fuels, 1973 to 1978				
1975	1976	1977	1978	
	rates per	gallon		No.
\$0.25	\$0.27 (March 26)	\$0.27	\$0.27	I
\$0.21 \$0.25	\$0.21 \$0.25	\$0.21 \$0.25	\$0.21 \$0.25	2 3
	40.20	Ψ0.23	30.23	ú
\$0.21 \$0.27	\$0.21 \$0.27	\$0.21	\$0.21	4
\$0.03	\$0.03	\$0.27 \$0.03	\$0.27 \$0.03	5 6
00.00				1
\$0.20 \$0.23	\$0.20 \$0.23	\$0.20 \$0.23	\$0.20 \$0.23	7 8
\$0.03	\$0.03	\$0.03	\$0.03	9
\$0.19	\$0.19	\$0.19	\$0.19	1 10
\$0.25 \$0.03	\$0.25 \$0.03	\$0.25 \$0.03	\$0.25 \$0.03	11
\$0.19 \$0.25	\$0.19 \$0.25	\$0.19 \$0.25	\$0.19 \$0.25	13 14
\$0.03	\$0.03	\$0.03	\$0.03	15
\$0.18 ) (May	\$0.18	\$0.18	\$0.18	16
\$0.21 \$0.03	\$0.21 \$0.05	\$0.21 \$0.05	\$0.21 \$0.05	17
ψ0.03 /	(May 17)	,	<b>\$0.05</b>	. 0
¢0.12	60.153 (March	\$0.10 \ (March	\$0.19	19
\$0.12 \$0.16	\$0.15 \ (March \) \$0.21 \ 25)	\$0.19 (March \$0.266 \ 11) \$0.06	\$0.266 \$0.06	20
\$0.04	\$0.04	\$0.00 /	\$0.00	- 1
\$0.10	\$0.10	\$0.10	Nil }	22
\$0.12 \$0.03	\$0.12 \$0.03	\$0.12 \$0.03	Nil J (March 31) \$0.03	23 24
\$0.17 \$0.19 (February	\$0.17 \$0.19	\$0.17 \$0.19	\$0.17 \$0.19	25 26
\$0.05 \[ 28)	\$0.05	\$0.05	\$0.05	27
\$0.14	\$0.14	\$0.14	\$0.14	28
\$0.16	\$0.14	\$0.16	\$0.16	29
\$0.02	\$0.02	\$0.02	\$0.02	30
\$0.14	\$0.14	\$0.14	\$0.14	31
\$0.14 \$0.15 \$0.025	\$0.14 \$0.15 \$0.025	\$0.15 \$0.025	\$0.15 \$0.025	32 33
\$0.023	\$0.025			uhr

TABLE VIII. Provincial Taxes on Tobacco Products, 1973 to 1978

No.		1973	1974
	Newfoundland:		
1	Cigarettes (per cigarette)	\$0.01	\$0.01
2 3	Cigars (per cigar)	\$0.02 to \$0.20 \$0.04	\$0.02 to \$0.20 \$0.04
	Prince Edward Island:		
4	Cigarettes (per cigarette)	\$0.004	\$0.004
5	Cigars (per cigar)	\$0.01 to \$0.07	\$0.01 to \$0.07
6	Other tobacco products	\$0.46 and over: 20% 20% of retail price	\$0.46 and over: 20% 20% of retail price
	Nova Scotia:		
7	Cigarettes (per cigarette)	\$0.004	\$0.004
8	Other tobacco products (% of retail price)	10%	10%
	New Brunswick:		
9 10	Cigarettes (per cigarette)	\$0.004	\$0.004
11	cigar)	\$0.01 \$0.04	\$0.01 \$0.04
11		φυ.υΨ	Ψ0.07
12	Quebec:  Cigarettes (per cigarette)	\$0.004	\$0.004
13	Cigars (per cigar)	\$0.05 to 0.10: \$0.01 over \$0.10: 20%	\$0.05 to 0.10: \$0.01 over \$0.10: 20%
14	Manufactured tobacco (% of retail price)	20%	20%
	Ontario:		
15 16	Cigarettes (per cigarette)	\$0.0046 \$0.01 to \$0.02 over \$0.10: \$0.01 add. per \$0.05	\$0.0046 \$0.01 to \$0.02 over \$0.10: \$0.01 add. per \$0.05
17	Other tobacco products (per 1/2 ounce)	\$0.025	\$0.025
	Manitoba:		
18 19 20	Cigarettes (per cigarette) Cigars (per cigar)	\$0.006 \$0.01 to \$0.15 \$0.03	\$0.006 \$0.01 to \$0.15 \$0.03
	Saskatchewan:		
21	Cigarettes (per cigarette)	\$0.0036	\$0.0036
22 23	Cigars (per cigar)	\$0.01 to \$0.04 \$0.02 (February 9)	\$0.01 to \$0.04 \$0.02
	Alberta:		
24 25 26	Cigarettes (per cigarette)	\$0.0032 \$0.01 to \$0.09 \$0.02	\$0.0032 \$0.01 to \$0.09 \$0.02
	British Columbia:		
27 28 29	Cigarettes (per cigarette)	\$0.0032 \$0.01 to \$0.09 \$0.02	\$0.0032 \$0.01 to \$0.09 \$0.02
	Yukon:		
30 31 32	Cigarettes (per cigarette)	Nil Nil Nil	\$0.004 \$0.01 to \$0.09 \$0.02 (June 1)
33 34	Northwest Territories:  Cigarettes (per cigarette)	Nil Nil	\$0.0032 \$0.01 to \$0.09 (April 1)

# TABLE VIII. Provincial Taxes on Tobacco Products, 1973 to 1978

1975	1976	1977	1978	No.
\$0.01	\$0.01	\$0.012	\$0.0135	1 1
\$0.02 to \$0.20 \$0.04	\$0.02 to \$0.20 \$0.04	\$0.04 to \$0.24 \$0.05 (April 28)	\$0.05 to \$0.27 \$0.06 (March 18)	1 2 3
\$0.008 (May 13)	\$0.008	\$0.008	\$0.008	4
\$0.01 to \$0.07 \$0.46 and over: 20% \$0.03 per 1/2 ounce unit (May 13)	\$0.01 to \$0.07 \$0.46 and over: 20% \$0.03 per 1/2 ounce unit	\$0.01 to \$0.07 \$0.46 and over: 20% \$0.03 per 1/2 ounce unit	\$0.01 to \$0.07 \$0.46 and over: 20% \$0.03 per 1/2 ounce unit	5
\$0.004	\$0.005 (March 20)	\$0.006	\$0.006	1 7
10%	10%	15% (March 30)	15%	8
\$0.004	\$0.004	\$0.004	\$0.007	1 9
\$0.01 \$0.04	\$0.01 \$0.04	\$0.01 \$0.04	\$0.01 \$0.08 (April 5)	10
\$0.004 \$0.05 to 0.10: \$0.01 over \$0.10: 20%	\$0.008 \$0.05 to 0.10: \$0.01 over \$0.10: 25%	\$0.008 \$0.05 to \$0.10: \$0.01 over \$0.10: 25%	\$0.0108 \$0.05 to \$0.10: \$0.02 over \$0.10: 30%	12   13
20%	25% (May 12)	25%	30% (April 18)	14
\$0.0046 \$0.01 to \$0.02 over \$0.10: \$0.01 add. per \$0.05 \$0.025	\$0.0071 \$0.01 to \$0.04 over \$0.20: \$0.01 add. per \$0.05 \$0.025	\$0.0096 \$0.02 to \$0.04 over \$0.10: \$0.02 add. per \$0.05 \$0.05	\$0.011 \$0.02 to \$0.07 over \$0.15: \$0.02 add. per \$0.05 \$0.004 per gram (March 8)	15   16   17
00.000	(April 7)	(June 28) \$0.008	\$0.01	18
\$0.006 \$0.01 to \$0.15 \$0.03	\$0.008 \$0.02 to \$0.20 \$0.04 (May 17)	\$0.008 \$0.02 to \$0.20 \$0.04	\$0.02 to \$0.25 \$0.05 (May 1)	19 20
\$0.0036	\$0.006	\$0.008	\$0.0096	21
\$0.01 to \$0.04 \$0.02	(March 24) \$0.01 to \$0.04 \$0.02	\$0.02 to \$0.08 \$0.04 (March 11)	\$0.03 to \$0.10 \$0.05 (March 7)	22 23
\$0.0032 \$0.01 to \$0.09 \$0.02	\$0.0032 \$0.01 to \$0.09 \$0.02	\$0.0032 \$0.01 to \$0.09 \$0.02	\$0.0032 \$0.01 to \$0.09 \$0.02	24 25 26
\$0.0032 \$0.01 to \$0.09 \$0.02	\$0.0048 \$0.01 to \$0.15 \$0.03 (March 27)	\$0.0048 \$0.01 to \$0.15 \$0.03	\$0.0096 \$0.02 to \$0.30 \$0.055 (April 10)	27   28   29
\$0.004 \$0.01 to \$0.09 \$0.02	\$0.006 \$0.01 to \$0.10 \$0.03 (April 1)	\$0.006 \$0.01 to \$0.10 \$0.03	\$0.006 \$0.01 to \$0.10 \$0.03	30 31 32
\$0.0032 \$0.01 to \$0.09	\$0.0032 \$0.01 to \$0.09	\$0.0032 \$0.01 to \$0.09	\$0.0032 \$0.01 to \$0.09	33 34

TA	BLE IX. Federal Taxes on Alco	holic Beverages and Toba	cco Products, 1973 to	1978	
OC / 7	1973	1974	1975	1976	1977 and 1978
0C / 1 / 1 / 1 / 1 / 1 / 1 / 1 / 1 / 1 /	Excise duty: \$0.42 per gallon.	Same as 1973	Same as 1974	Same as 1975	Same as 1976
Spirituou Her than Canadian brandy	Excise duty: \$14.25 per proof gallon.	Increased to \$16.25 effective November 18.	Same as 1974	Same as 1975	Same as 1976
Canadian brandy	Excise duty \$12.25 per proof gallon.	Increased to \$14.25 effective November 18.	Same as 1974	Same as 1975	Same as 1976
Spirits sold to druggists and used in the preparation of prescription	Excise duty: \$1.50 per proof gallon.	Same as 1973	Same as 1974	Same as 1975	Same as 1976
Imported spirits taken into bonded manufactory	Excise duty: \$0.30 per proof gallon (in addition to other duties).	Same as 1973	Same as 1974	Same as 1975	Same as 1976
Wines:  (a) Containing 7% or less of absolute alcohol by volume	Excise tax: \$0.275 per gallon.	Increased to \$0.475 effective November 18.	Decreased to \$0.275 effective June 23.	Same as 1975	Same as 1976
(b) Non-sparkling and containing more than 7% of absolute alcohol by volume but not over 40% of proof spirit	Excise tax: \$0.55 per gallon.	Increased to \$0.95 effective November 18.	Decreased to \$0.55 effective June 23.	Same as 1975	Same as 1976
(c) Champagne and other sparkling wines	Excise tax: \$2.55 per gallon.	Increased to \$2.95 effective November 18.	Decreased to \$2.55 effective June 23.	Same as 1975	Same as 1976
Cigarettes	Excise tax: \$0.03 per 5 cigarettes plus excise duty of \$4 per 1,000 cigarettes weighing less than 3 lb. per 1,000 or \$5 per 1,000 cigarettes weighing more than 3 lb. per 1,000.	Increase of excise duty to \$5 per 1,000 cigarettes weighing less than 3 lb. per 1,000 and to \$6 per 1,000 cigarettes weighing more than 3 lb. per 1,000 effective November 18.	Same as 1974	Same as 1975	Same as 1976
Cigars	Excise tax: 17 1/2% plus excise duty of \$2 per 1,000 cigars.	Increase of excise tax to 20 1/2% effective November 18.	Same as 1974	Same as 1975	Same as 1976
Manufactured tobacco	Excise tax: \$0.90 per lb. plus excise duty of \$0.35 per lb.	Increase of excise duty to \$0.50 per lb, effective November 18.	Same as 1974	Same as 1975	Same as 1976
Canadian raw leaf tobacco	Excise duty: \$0.10 per lb.	Same as 1973	Same as 1974	Same as 1975	Same as 1976

Comments: 1. All goods subject to federal excise tax and/or duty are also subject to the federal manufacturers' sales tax. However, for purposes of the manufacturers' sales tax, the taxable value includes the excise duty but not the excise tax.

2. Excise duties and certain excise taxes are not levied as such on imported products; they are included in the customs duty payable, the rates of which are set to take account of such levies.



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